

The NATIONAL UNDERWRITER



*REINSURANCE makes a basic contribution
to the strength of the Insurance Industry*



GENERAL REINSURANCE GROUP

Largest American multiple line market
dealing exclusively in Reinsurance

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Casualty • Fidelity
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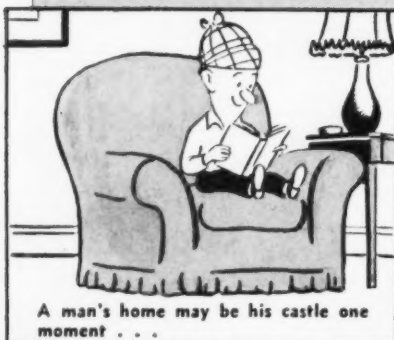
NORTH STAR REINSURANCE
CORPORATION
Fire • Inland Marine
Ocean Marine

90 JOHN ST., NEW YORK 7

THURSDAY, AUGUST 3, 1950

IT STILL COSTS A LOT TO LIVE

Says Harry Hazard



A man's home may be his castle one moment . . .



. . . and shortly thereafter it is a partial shamble . . .



. . . then you begin the dream of restoration . . .



. . . you can blow your top but the repairmen won't be impressed . . .



. . . meanwhile, you must live some place at additional expense to you . . .



. . . and time goes by . . .



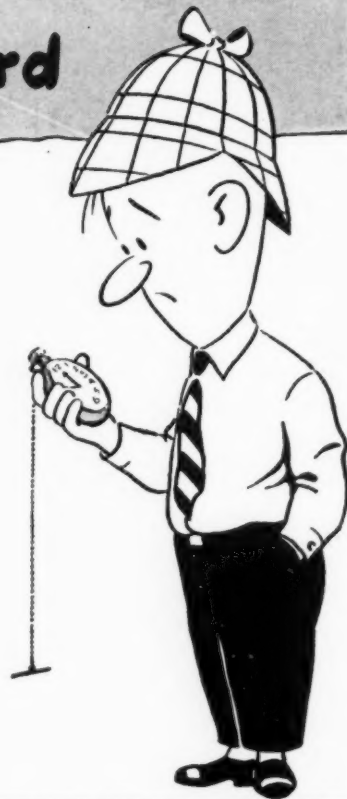
. . . finally your castle is ready again, and you may be a king . . .



. . . on an uneasy throne because of additional expenses you have incurred.

Additional Living Expense . . . this is the vital protection which HARRY HAZARD is emphasizing this month in his continuing work with local agents to correct the real "under insurance" problem of the American Public . . . **LACK OF COMPLETE PROTECTION!**

Selling this protection both as a basic coverage and in adequate amounts, together with all the necessary home coverages, presents an exceptional opportunity to insurance producers nation-wide.



The American Insurance Co. Bankers Indemnity Insurance Co.
© The American Insurance Co.

The Columbia Fire Insurance Co.

The Jersey Fire Underwriters

THE 1846 American Insurance Group

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N. Y. Discrimination
Hearing Produces
No FireworksLittle Evidence Shown
That Negro Risks
Declined Per Se

The hearing of the New York state joint legislative committee on insurance rates and regulation into charges of discrimination by fire and casualty insurers, particularly with respect to the Harlem area, developed a lot less heat than the weather, which was torrid and oppressive. Testimony of colored insurance brokers, a white insured, and State Senator Santangelo, who represents the Harlem district, developed little in the way of evidence that insurers generally discriminate against colored people in that area though individual companies and agencies may not like and may not write extensively or at all in certain areas the business produced by certain brokers.

The testimony did elicit the fact that certain companies about three years ago quit renewing some business in the Harlem territory. This was fire, principally on household furniture. It was also brought out that some companies don't like to write auto liability business in the district, and there were cases mentioned in this line as recent as a few days ago.

However, with almost no exception, brokers indicated they had been able to write the business somewhere.

Recommends State Auto Fund

Santangelo recommended to the committee the sponsorship of legislation which would create a state fund which would solicit and write all auto risks, good or bad, at the regular rates, as the state workmen's compensation fund now does. He would also like to see a flat state wide auto liability rate, and added that if companies won't write fire cover on buildings and contents anywhere in the state, there should be a state fund to supply the coverage. He reiterated statements made in the last legislature, where he delivered his criticism of discrimination against the companies. Basically he favors a state fund because the legislature has compelled auto owners to buy insurance and mortgages require coverage. Insurance no longer is strictly private but is vested with public interest, he said, adding that Harlem areas seem to be systematically discriminated against by insurers.

Paul L. Bleakley, counsel of the committee, did the questioning. At the beginning and close of the first session he called names of all the legislators who had joined Santangelo in the last legislature in the criticism of the companies. Only Santangelo appeared. Several of these legislators had appeared at the insurance department with Arthur McNaught, president United Brokers Assn., to complain against discrimination.

Senator William F. Condon of Yonkers presided. He said the evidence obtained in a hearing on the same subject last fall was inconclusive. The present hearing was confined to fire and casualty. Other insurances will be taken up later. A number of company executives and representatives were on

Excess Profit Tax
Possibilities Studied

NEW YORK—Tax officials of fire and casualty companies have been doing some preliminary thinking about the effect an excess profits tax would have on the business but Congressional tax planning to finance the war and expanded defense measures is still too nebulous for the shaping of definite ideas on the subject.

The effect on insurance will depend on the years used in the potential excess profits tax formula. During the war the average earnings for 1936-39 was used and the tax applied to earnings above that figure.

There is some talk that the average this time will be based on 1946-49 earnings but this information is speculative, if the tax applied to earnings for 1946-49 fire companies will be more seriously affected than if 1947-49 three years are used in the formula. The years 1948-49 were good years for the fire business and even in a war economy they would have to have fine experience to better their record. If 1946 and 1947 are included the average will be much lower and excess profits taxes would cut in sooner. The years 1946-47 were loss producers. The higher the profits for the years selected to determine the average the better off the companies will be.

Casualty companies are in substantially the same position as the fire carriers although they began to see light earlier in 1947.

Common Stock Question

The war-time formula was thought to penalize companies that hold considerable common stock because it could not be included in the equity invested capital formula.

hand but did not go on the stand. Superintendent Bohlinger and Deputy Roy C. McCullough represented the New York department.

Prior to the hearing, Mr. Bleakley said, all members of the legislature were notified and invited to submit questions or evidence. One senator and one assemblyman replied they knew of no discrimination. A third legislator said it did exist but did not specify. Only three replies were received from this source.

Senator Santangelo provided a list of 28 instances in which he allegedly found discrimination, and gave insured name, insurer, etc.

Sen. Friedman of the committee said he disagreed with the majority of the committee as to procedure. He said he believed that if no one appeared to

complain the committee should still proceed by invitation or subpoena, company record by company record if necessary, to determine if the charges of discrimination are so.

William S. Smiley, colored, engaged in the cleaning business on upper Seventh ave., testified he was unable to obtain insurance on a 1948 Chrysler pleasure car.

He obtained the coverage through American Automobile Assn. in Merchants Mutual March 23, 1948. In 1949 he received a letter cancelling it and returning more than \$100 of unearned premium.

In 1948 he had a claim of \$25 and another which the P. D. of the other car in the collision paid.

He testified there was no argument (CONTINUED ON PAGE 12)

Marine War
Risk Issue
Still DebatedSenator Aiken Blocks
Quick Action—Wants
Close Study

WASHINGTON—Tuesday the full House merchant marine committee met to take final action, according to committee sources, on House Bill 6061, to authorize government writing of war risk coverage.

Committee members had contemplated taking up the Senate bill on the same subject, if passed by that body.

However, the Senate bill had been objected to on a call of the calendar in that body last week. Senator Aiken, Vermont, stated the amendments voted by the Senate interstate and foreign committee should have been printed. He said that "when an important measure like this is before us we should know what we are voting on."

Senator Magnuson, Washington, in

WASHINGTON—The House merchant marine committee Tuesday approved the war risk bill as amended and recommended by its subcommittee on maritime affairs, with some additional amendments. The committee report will be submitted shortly and it is planned to get House action soon as possible.

Amendments to the bill as reported include:

Limiting authority to write war risk to five years after its enactment.

Changing this authority from the maritime commission to the secretary of commerce, in accordance with the recent maritime reorganization.

Eliminating the "finality" provision from the bill, so that the general accounting office would have jurisdiction over checking up on war risk transactions.

Requirement of quarterly reports to Congress on proposed contracts and progress of war risk operations.

Requiring the secretary, whenever he finds it practicable to do so, to employ domestic companies in carrying out the program, in preference to foreign.

Providing that "a person having an insurance interest in a vessel may with the approval of the secretary, 'insure with other underwriters in an amount in excess of the amount insured' with the secretary, and 'in that event the secretary shall not be entitled to the benefit of such insurance.'"

charge of the bill, explained that some amendments merely substituted the secretary of commerce, under whose jurisdiction maritime matters have come under a presidential reorganization plan, for the old maritime commission.

Magnuson Gives Explanation

Magnuson said under present law no shipper can get war risk coverage on vessels. "We would turn this authority over to the secretary of commerce, and also allow the writing of insurance on ships by certain foreign insurance companies, mainly British, that have insurance pools for shipping," he added. "I think there are 14 such companies, when certified by the insurance commissioners

(CONTINUED ON PAGE 32)

Companies' First Six Months Results

	Assets June 30	Surplus June 30	Increase or Decrease in Surplus from Dec. 31	Premiums First Six Months 1950	Written First Six Months 1949
Amer. Aviation & Gen.	\$ 6,703,263	\$ 2,001,473	\$ -26,966	\$ 3,030,467	\$ 2,037,900
American Cas.	22,704,306	5,386,608	314,789	9,967,301	7,286,445
American Credit Indem.	13,335,339	9,284,998	36,966	1,830,519	1,961,775
American Employers	34,160,688	9,929,008		9,671,316	9,020,502
American General	10,941,514	5,018,941	355,052	2,679,876	2,790,286
Anchor Casualty	10,410,802	2,501,259	334,820	3,817,780	3,878,010
Auto-Owners	18,027,662	4,871,737	1,037,673	6,645,255	6,381,868
Cal. State Auto Assn.	14,735,612	4,894,164	381,442	5,392,563	4,821,058
Central Surety	19,077,839	5,416,427	18,826	3,553,943	6,761,985
Commercial Standard	7,619,841	2,126,349	97,234	3,245,226	2,783,809
Continental Casualty	128,095,423	41,520,818	-234,260	48,137,142	41,138,062
Eureka Casualty	8,501,002	1,334,747	-376,261*	2,457,130	2,453,450
Fidelity & Deposit	48,540,463	24,416,935	563,251	8,026,304	9,227,854
Gen. Trans. Cas. & Sur.	11,270,202	3,378,404	97,940	3,652,968	3,340,398
Great Amer. Indem.	48,305,944	13,777,564	-262,048	14,719,227	13,810,069
Hartford Steam Boiler	30,557,259	10,066,524	6,100	7,302,926	5,460,060
London & Lanc.	14,344,753	3,471,135	47,227	4,340,191	4,181,983
Mass. Bonding	54,592,795	13,649,057	-467,207	17,395,697	16,874,816
Millers National	9,738,581	2,208,240	204,086	2,745,318	2,554,749
Mut. Imp. & Hdwe.	19,316,267	5,131,571	-115,229	7,958,679	6,983,513
National Auto & Cas.	12,181,393	2,465,198	-94,344	4,469,775	4,600,978
National Reins.	12,679,903	10,384,199	396,077	399,594	385,280
Ohio Farmers	15,045,054	4,798,317	278,818	4,302,314	4,467,476
Ohio Farmers Indem.	7,517,982	2,246,061	27,114	2,491,710	1,681,765
Oregon Mut. Fire	5,510,492	1,576,847	60,438	1,665,240	1,373,942
Reinsurance Corp., N. Y.	15,476,857	8,327,229	388,388	2,805,008	2,441,054
Seaboard Surety	12,309,480	7,209,450		1,935,757	1,840,920
Shelby Mut. Cas.	10,447,023	1,995,763	118,804	4,835,135	3,914,273
State Farm Mut. Auto.	132,238,715	65,298,921	9,913,435	44,773,191	39,870,742
United States Cas.	31,619,874	8,275,134		9,294,871	9,511,785
Western Cas. & Sur.	16,579,712	3,973,305	445,104	5,969,130	5,420,947
Western Fire	7,491,992	2,750,457	273,076	2,165,356	2,714,245

*Includes stock dividend of \$250,000.

Veer Away From Idea of Reviving War Damage Setup

Consensus Said to Be That Insurance Principles Should Not Be Invoked

By HENRY HALLAM

WASHINGTON — What should be done about war damage in the light of the Korean crisis is engaging attention of insurance executives and insurance representatives and observers here, as well as of a company committee and government officials.

While no final conclusion is reported to have been reached among insurance interests concerned, it appears to observ-

ers that the consensus is that war damage can not, or at least should not, be written as an insurance proposition, as it was during the last war.

This consensus is said to be that war damage is properly, or should be, an uninsurable hazard. It is regarded as an expense of war, and the opinion is held that government should reimburse for losses rather than operate through companies as under the War Damage Corp. setup.

Report Insurance Men Agree

A committee of the industry that has been working on the war damage problem is reported to have taken practically this same position.

The U. S. Chamber of Commerce insurance department has been studying the problem, in cooperation with companies concerned. While there has been suggestion that the chamber set up a committee to review the matter, there is no idea in that quarter of interfering with the companies.

Rep. McGuire, who introduced recently a bill to create a new War Damage Corporation, as a sort of "trial balloon," it is understood, is in the insurance business himself.

"Activities of small, inexperienced companies writing war damage in areas where they are not licensed should be

viewed with considerable concern," said Superintendent Jordan here.

"I am advising agents they will violate the law if they write war damage in unlicensed companies."

Susquehanna Mutual, unlicensed here, and having assets of less than \$22,000, according to state regulatory officials, has been sending literature to agents seeking business.

Maryland Ins. Co., which officials say has only \$20,000 assets, has been advertising to sell war damage.

To Provide Auto Contract Death Cover in Michigan

Citizens Mutual Automobile of Michigan and Michigan Life have joined in a program to provide coverage of automobile contract balances in the event of the death of car purchasers.

Scott E. Lamb, Michigan Life executive vice-president, said the program, known as the "Life Protector Plan," is being inaugurated for the first time in Michigan. Under its provisions, he said, the borrower is insured by Michigan Life for the unpaid balance due at the time of death. Citizens Mutual's agents will write the policy in combination with their regular auto coverages.

Broadened E. C. May Be Ready for Use in Fall

Seek Salable, Broadly Applicable Form Widely Accepted in the Business

The fire business has been closely studying the broadening of extended coverage applicable to the dwelling class. There seems to have been achieved pretty general agreement on broadening the coverage on a named peril basis, and the extension may have reached the practical, filing stage some time this fall.

However, the feeling among key figures in the business seems to be one of reluctance to rush decisions on vital points, but on the contrary to take what time is needed to come up with something that can be generally accepted by the entire business and that will appeal to the widest possible segment of the public, both on the score of coverage and price.

When Atlantic Mutual came out with its special extended coverage that is of an all risk nature and Chubb & Son issued its combined additional cover on a specified peril basis, the move by the remainder of the business to achieve a broadened form was not long in getting under way. Subsequently Union Mutual and American Auto Fire came out with the all-risk variety of broadened form. These new forms are, however, special in the sense that they apply only to private dwelling buildings occupied by the owner, they have a deductible and the premium is fairly substantial. So far they have not been sold in substantial quantity.

Want Wider Application

The general approach of the executives in the remainder of the fire business seems to be to produce a form that does not go so far as the ones mentioned above in coverage, but that applies to all of the property insured under extended coverage No. 4, contents and buildings, outbuildings and the 10% on contents applicable off premises. Also, the broad form would be applicable to all dwelling units now covered by E.C. 4, that is, up to four families in a structure up to two stories.

Agents have been much interested in a broader E.C. sold by the fire business generally. They can appreciate the appeal of the special policies brought out by companies like Chubb & Son, though they have had some ideas as to the additional coverages to be included that differed from the broader forms already issued. They also have debated to some extent whether the broadening should be accomplished as a revision of E.C. 4 or as an additional, broader form in addition to the present extended coverage.

One New or Added No. 5?

As a matter of fact, there is a division of opinion among the fire companies on this point, whether to have the broadening done in one form which would replace the present form or whether to have a new extended coverage No. 5, at a higher rate. Another point that does not seem yet to have been settled is whether the broader form should include a mandatory deductible.

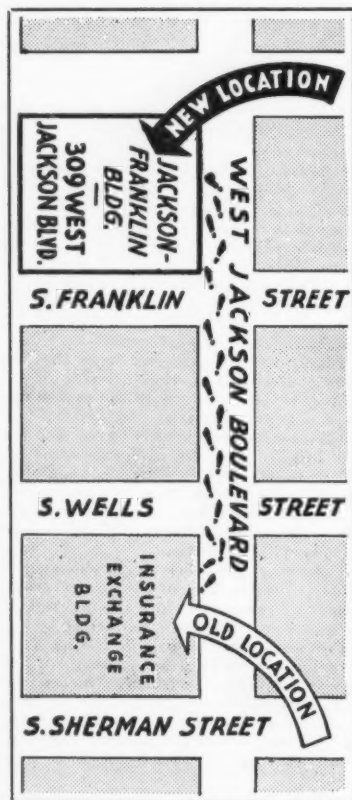
Most agents appear to go along with the majority of companies in believing that the extension of the form to cover additional perils should not be limited as to the property to which it is applicable; that this does not do a full job for the public. Such a limitation would

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We're better equipped than ever before to take care of the most exacting requirements of your agency and its clients. Always you are assured of friendly, helpful counsel and service in writing your Fire, Automobile, Ocean and Inland Marine, and allied lines business.

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NORTH BRITISH AND MERCANTILE INSURANCE COMPANY LIMITED
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Pointed Toward Your Profit!

The Marine Office of America is loading your sales guns for you these days. Through the nation's leading magazines in the yachting and motor boat fields, it is telling boat owners of the need for Yacht Insurance.

It is drilling this message home—punching it across through human interest advertising. *This campaign is pointed toward your profit.* Yacht Insurance is an extra-premium line that you can sell and deliver with ease.

Just talk to a few boat owners—about boats and protection.

Start Contacting Today!

This is another in the series of national ads prepared by the Marine Office of America on your behalf, and appearing in the nation's leading yacht and motor boat publications, listed herewith:

- SEA—WESTERN YACHTING & BOATING
- PACIFIC MOTOR BOAT
- MOTOR BOAT
- MOTOR BOATING
- RUDDER
- YACHTING
- THE CHESAPEAKE SKIPPER
- LAKELAND YACHTING AND MOTORBOATING

Consult the Marine Office on your Ocean and Inland Marine problems!

176

Have You A Fire LOSS Extinguisher Aboard?



YOU CAN excuse a skipper's frantic fear when he thinks his boat's afire... For while fires are bad anywhere, they're much worse on water!

You can't call the fire department when you're far afloat. And a blaze can shout down your fire extinguisher, if it's had any start at all... The best thing is to supplement your normal precaution and fire control equipment with a fire LOSS extinguisher—a soundly drafted Yacht Insurance Policy.

The Marine Office of America, which has specialized for decades in protecting skippers and their craft, can furnish—in one policy—adequate coverage not only against Fire, but also against Theft, Collision, Stranding, against Death or Injury to People and Damage to Property.

Marine Office protection is ultra-sound protection. Ask your agent or broker about coverage through the Marine Office. Provision your boat with sound protection!

MARINE OFFICE OF AMERICA

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Insurance Exchange Building
Chicago 4, Illinois

SOUTHERN DEPARTMENT
Canal Building
New Orleans 12, Louisiana

PACIFIC DEPARTMENT
140 Sansome Street
San Francisco 4, California

NORTHWESTERN DEPARTMENT
Colman Building
Seattle 4, Washington

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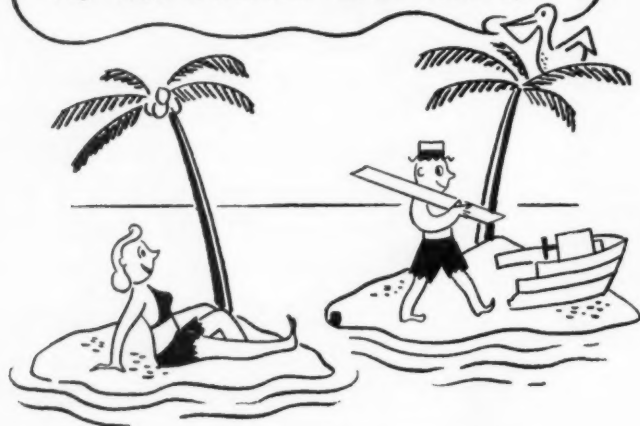
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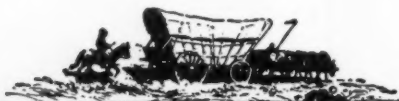
ALL CLASSES OF OCEAN AND INLAND MARINE INSURANCE



It's the Service that counts!



Build a sound sales program by
using Springfield Group Service.



THE SPRINGFIELD GROUP

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SENTINEL FIRE INSURANCE COMPANY . . . SPRINGFIELD, MASS.
MICHIGAN FIRE AND MARINE INSURANCE COMPANY . . . DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY . . . SPRINGFIELD, MASS.

OF FIRE INSURANCE COMPANIES



Performance
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*"After all, the service itself
speaks better than a lot of talk
about it."*

You are cordially invited to acquaint
yourself with our Performance.

Est. 1865

**MILLERS NATIONAL
Insurance Company**

Est. 1876

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137 West Jackson Boulevard, Chicago

Eastern Department:
Philadelphia

Pacific Coast Department:
San Francisco

LANGE MOVE SUSPENDED

Wis. Rating Bureau Asks Rehearing of Rate Slash Order

The Fire Insurance Rating Bureau of Milwaukee, whose membership includes stock, mutual and reciprocals writing 95% of the fire insurance business in Wisconsin, has filed a petition with Commissioner Lange for a rehearing on his recent order reducing fire insurance rates on certain classes.

This petition, as provided by statute, automatically suspends his order which was to go into effect Sept. 1. Therefore, the present rates in effect will be charged until final determination of the issues involved is made. If the order of Commissioner Lange is upheld, refunds will have to be made on all policies written to be effective on or after Sept. 1.

Among the issues involved are the percentage of permissible underwriting profit and whether or not the experience of both stock and mutual companies or the experience of stock insurance companies only is to be taken into consideration.

Lange Wants 2½% Factor

Mr. Lange in his order held that a reasonable underwriting profit would be 2½% while the insurance companies contend that the profit should be 5%. The commissioner also held that the experience of all of the members of the Fire Insurance Rating Bureau should be considered while the insurance companies contend that the experience of stock companies only should be considered.

The commissioner also used 1949 experience in his order which was objected to by the insurance companies. The 1949 experience which was very favorable was not furnished to the commissioner at the time of the last day of the hearing but was furnished to him before he prepared his order.

Kingsley to L. A. Fireman's Fund Post

Philip F. Kingsley has been appointed manager of the fire department of Fireman's Fund in the southern California and Arizona territory. He will leave his present assignment as agency superintendent in the head office and assume his new duties at Los Angeles Sept. 1.

Howard F. Worth will continue as assistant manager of the fire department in the southern California department with increased responsibilities.

Mr. Kingsley joined Fireman's Fund as an underwriter in 1925 after completing the fire prevention and engineering course at Armour Institute of Technology. In 1930 he became special agent in New Mexico. He was moved to Colorado territory in 1940 as state agent.

In 1946 he was assigned to the head office as superintendent of the service and improved risk department. In 1948 he was advanced to the position of fire agency superintendent.

Mr. Kingsley has been a frequent speaker before various insurance organizations in the western states. He is past president of Fire Underwriters Forum. He has conducted underwriting and production courses for Golden Gate College and is a recognized specialist in business interruption coverages.



Philip F. Kingsley

Agent Protests Talk of New Wind, Auto Deductibles

C. E. Perkins, local agent of South Bend, Ind., writes:

I am very much concerned by several statements made in the page one article in the current NATIONAL UNDERWRITER (July 27) headlined "Auto Boosts Interest in Deductible for Comprehensive." Is it true that many collision claims are presented under the comprehensive? This agency has been in existence nearly 31 years with automobile as a major line and in only one case was there any indication that the assured was attempting to make the non-deductible comprehensive cover a collision loss. Have companies made a breakdown of such claims to determine where they come from? Are they coming in from all agencies or are they originating from comparatively few agencies? Could it be that certain agents are courting the good will of their assureds by converting small collision into comprehensive claims? Or taking the line of least resistance? Having written automobile lines in large volume for more than a quarter century I doubt that this is an agency problem unless the agent has made himself a party to such practices. The comprehensive has done much to develop good public relations for the business and if it has been misused let the companies determine where it is being abused and take necessary action to stop such dishonest practices. Why should all suffer for the wrong doing of a few?

The full time agent is familiar with the adjustment problems which confront the companies. We know the adjustment bureaus are undermanned and are cooperating by handling small claims ourselves.

Let us not as agents lend ourselves to the hysteria for deductible which seems so prevalent at this time lest we eventually deduct ourselves from the business. Company executives are confronted with a demand for large deductibles on fire policies from big buyers of insurance. Let us not add to the problem by acquiescing to deductibles on comprehensive auto.

Likewise, in most areas it does not appear that there is a need for a deductible on windstorm especially since most agents have been able to sell extended coverage almost exclusively thereby getting the insurance up to value. It was nearly 10 years from the Armistice Day storm of 1940 to the one of May, 1950. Of course, there were windstorm claims in the interim just as there are fire losses from time to time. Let us remember that many of our assureds pay premiums for a lifetime and if we apply the deductible feature to comprehensive auto and windstorm losses many of them will never have a claim and the companies and agents will lose the inestimable good will which comes from paying those small losses.

Mo. Work, Material Clause Eliminational Optional

ST. LOUIS, Mo. — Superintendent Leggett has made optional the recently filed amendment to the standard fire policy form eliminating the work and materials clause provided forms are properly filled out when the policy is written.

The filing was made after the uniform form committee of the Western Actuarial Bureau had given its approval to the change. While, to date, Missouri is the only state in the mid-west territory in which the amendment has been officially filed, it was learned also that insurance men in Illinois had joined Missouri in a protest to the Western Actuarial Bureau, anticipating a similar filing will shortly be made with the Illinois department.

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Yes—pouring kerosene or gasoline on a fire is a sure way to get quick action. That's just the trouble. It's too sure and too quick. The result may be an explosion or a sudden burst of flame that gets beyond control. Don't start a fire in a stove or open fireplace with kerosene, gasoline or benzine.

ÆTNA INSURANCE GROUP

ÆTNA INSURANCE COMPANY • THE WORLD FIRE AND MARINE INSURANCE CO.
THE CENTURY INDEMNITY COMPANY • STANDARD INSURANCE CO. OF N. Y.
HARTFORD, CONNECTICUT



This advertisement also appears—in color—in TIME, NEWSWEEK, PATHFINDER,
U. S. NEWS and WORLD REPORT. W. Ross McCain, President

FOUNDED IN 1819, the Aetna Insurance Company takes its name from the famous volcano, which "though surrounded by flame and smoke is itself never consumed." From that day to this—through wars, conflagrations and depressions—no policyholder has ever suffered loss because of failure of an Aetna Company to meet its obligations.



THE
PHOENIX-CONNECTICUT
GROUP
of
Fire Insurance Companies



The Phoenix
Insurance Company, Hartford, Conn.
1854

The Connecticut
Fire Insurance Co., Hartford, Conn.
1850

FOUITABLE
Fire & Marine Insurance Company
Providence, R.I.
1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
110 William Street

SAN FRANCISCO
220 Montgomery Street

MONTREAL
485 McGill Street



All Forms of Fire and
Property Insurance including
Ocean and Inland Marine
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED

Tachau Explains Louisville F. & M., Wm. Penn Relations

LOUISVILLE, KY.—Charles G. Tachau, president of Louisville Fire & Marine, told the correspondent of THE NATIONAL UNDERWRITER that it has come to his attention that rumors have been spread and even articles published to the effect that his company had offered to reinsure the William Penn and that the deal failed to go through largely because Louisville F. & M. was not entered in Pennsylvania.

Mr. Tachau said that the true facts were that William Penn had asked Louisville F. & M. to negotiate with it; that Louisville F. & M. expressed a willingness to be helpful; and after going over William Penn's figures, told the latter that it would be willing to make a proposition predicated on the ability of William Penn to comply with certain requirements, which requirements it believed it could meet. After about 48 hours of effort on the part of William Penn, it admitted it was unable to meet the specified requirements, with the result that no proposition of any kind was ever made.

Mr. Tachau further stated that Louisville F. & M. told the Pennsylvania commissioner what position it had in mind, based on Penn's ability to meet requirements, as had been outlined, but negotiations were broken off with Penn at a time when the commissioner was investigating the matter. Therefore the commissioner made no decision, regardless of whether Louisville F. & M. was entered in Pennsylvania, in that Louisville F. & M. had never made a proposition to William Penn.

Four Elevated by Meserole Group

Herbert A. Kopke, Wylls L. James and John C. Getty have been made secretaries of the C. V. Meserole Group. Seymour L. Braman has been named assistant secretary.

Mr. Kopke is director of personnel and has been assistant secretary. He started with the companies in 1919.

Mr. James started in 1921 and is manager of the brokerage department. Mr. Getty has been with the organization since 1923 and is manager of the metropolitan New York department.

Mr. Braman started in 1943 and is manager of the inland marine department.

Penn-Liberty Opens Illinois Department

Penn-Liberty of Philadelphia has opened an Illinois fire, automobile and inland marine department in room A-340 Insurance Exchange bldg., Chicago. Ralph A. Black who has been appointed manager of the fire and automobile department has been in the fire insurance field in Chicago for 30 years, 23 of which have been with Northern Assurance of London. Mr. Black served in the navy in World War I and in 1919 joined the Chicago Board in inspection and rating work. In 1923 he became connected with the Liverpool & London & Globe

handling the Chicago and Cook County field. In 1926 he joined Northern Assurance in a similar capacity and was promoted to assistant manager in 1938. He is a past president of the Cook County Field Club.

John F. Langhoff, who has been appointed manager of the marine department, has been a marine specialist in Chicago for the past 17 years. Mr. Langhoff started with Alan H. Bonito & Company in Chicago. Following this connection, he saw service in the Chicago offices of Pearl and the western department of National Fire. He was vice-president of Anchor Marine Agency Office, Inc., of Illinois, a subsidiary of the Anchor Insurance Agency of New York.

Mr. Black and Mr. Langhoff recently resigned as Chicago managers of Wm. Penn Fire.

Dog Policy Excludes Poisoning

Automobile has been relieved of liability under a dog policy under a decision of South Carolina supreme court where the animal died from poisoning at the hand of some person unknown. The case was Montalbano vs. Automobile. The jury in the lower court had given a verdict for the face of the policy which was \$200.

Automobile's contention was upheld by the higher court that the death of the dog from poisoning was not covered by the specified perils insured against in the contract.

The policy, subject to certain specified exceptions, insured the dog against various perils including fire and lightning, being hit or run over by an automobile or other vehicle not owned or operated by the insured, being bitten by another dog, and gunshot. The exceptions included loss due to escape or disappearance, being shot by the insured, members of his family or by public authority. Nowhere in the policy is poisoning mentioned directly or indirectly.

Agent Said poisoning Covered

At the trial the insured testified that he read the policy but that he and the agent were both in doubt as to whether its provisions included death by poisoning. The agent, after conferring with another agent of Automobile, returned to Montalbano and according to the latter's testimony, he assured him that the policy would cover death of the dog from poisoning. Upon this assurance, he accepted it.

Over the exception of Automobile, this parol testimony was admitted as competent. The higher court, on the other hand, said that this testimony was improperly admitted. The higher court said the policy is free from any words of technical meaning, containing no patent or latent ambiguities nor does the complainant charge fraud, accident or mistake. No reformation of the policy, contract or other remedy is sought. The action is on the policy as written.

Coast Auto Group Elects

Medford Aiton, Springfield F. & M., was elected president of Automobile Insurance Club of the Pacific at the annual meeting at San Francisco. He succeeds Norman Kerr, Automobile.

Morton C. Wolff, Fire Association is vice-president, and William H. Hulse, Boston, is secretary-treasurer.

Hubbard Resigns as Ida. Commissioner; Name Leo O'Connell

BOISE, IDA.—James Hubbard, Idaho insurance commissioner since 1947, has resigned. Leo O'Connell of Boise has been named to succeed him.

Dismissal of Mr. Hubbard had been recommended by the Ada county grand jury "to protect the people of the state and the insuring public." The jury, after investigating the department and questioning Mr. Hubbard, stated that "the insurance department is in a chaotic condition, and that the commissioner is not qualified to conduct the business imposed upon him by the laws of the state."

Mr. O'Connell first entered the business in Miles City, Mont., in 1916 to 1925 as a local fire and casualty agent. He left Miles City for San Francisco and was salesman for Hardware Mutuals in the Bay area. From 1929 to 1941 he was state representative in Idaho for Hardware Mutuals. From 1941 to 1950 he was a local agent in Boise.

Name Three Speakers for Mutual Agents Rally

Three speakers for the annual meeting of National Assn. of Mutual Agents have been announced. The meeting will be at the Statler hotel, New York, Oct. 14-18.

The speakers are Frank W. Lovejoy, sales executive of Sacony Vacuum Oil Co.; James C. O'Connor, editor of the Fire, Casualty & Surety Bulletins, and John W. McPherrin, editor of "American Druggists."

One of the highlights of the program will be a clinic on problems of loss adjustments conducted by Gordon Davis, manager of Mutual Loss Research Bureau.

Zone 5 meeting at Topeka

Commissioners of zone 5 will meet at Topeka, Oct. 12-13, with Kansas Commissioner Sullivan, new vice-president of N.A.I.C., as host. President Ellery Allyn of Connecticut will attend. Headquarters hotel is the Kansan.

Lyle Adjustment Co., Phoenix, has opened a branch at Yuma, Ariz.

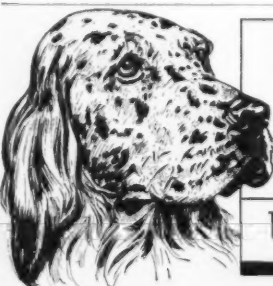
GROW FAST and BIG

As Sterling's
General Agent in

MONTANA

Show us your experience in the insurance business—and we'll show you the way to quick, lasting success with strong home-office promotional cooperation . . . liberal commissions, plus America's most modern, fastest-selling line of life, hospitalization, and medical-reimbursement insurance. If you're ready to grow with Sterling, write (in complete confidence) to

Louis A. Breskin, President
Sterling Insurance Company
503 Sterling Building, Chicago 11, Illinois



PEDIGREE COUNTS — ENGLISH SETTER — Origin dates back to 16th century and is still first in popularity today as a hunting dog. Handsome, brave and affectionate — a good house dog.

The Northern Assurance was organized in 1836 as an Agency Company. It has remained so All-Ways.

THE NORTHERN ASSURANCE CO. Ltd.

FIRE AND ALLIED LINES, AUTOMOBILE INLAND MARINE — REPORTING FOR M. — FLOATER CONTRACTS
NEW YORK • CHICAGO • SAN FRANCISCO



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Ohio Mutual Agents Slate Fall Clinics

Ohio Assn. of Mutual Insurance Agents will sponsor four educational clinics this fall in cooperation with Ohio 1752 Club, mutual field organization. There will be two sets of simultaneous meetings, Nov. 8, at Granville Inn, Granville, and Mayflower hotel, Akron, and Nov. 9 at Anthony Wayne Hotel, Hamilton, and Elks Club, Findlay.

E. H. Adolph, Columbus, state agent Pawtucket Mutual, will be moderator at the Akron and Findlay meetings and J. C. Barber, Columbus, special agent Northwestern Mutual Fire, at the Granville and Hamilton meetings. H. K. Urban, Dayton, is chairman of the educational committee of the agents association in charge of these clinics, along with John Hare, Bellefontaine, and R. A. Miller, Zanesville.

Legislation will feature the clinics this fall, with emphasis on such topics as the proposed new financial responsibility law, threat of a state automobile insurance fund, activities of General Motors dealers in the insurance business and proper ways for an insurance man to work with members of the legislature. Other subjects on the programs are advertising ideas, collection methods, policy forms, recommended insurance coverages for an agency and attracting and holding better office personnel. The committees of the two organizations, along with E. E. Roberts, Springfield, president of the agents' group, will meet Sept. 8 at Springfield to select agent members of the panels and to close other details.

Sympathy Clause Is Being Filed

The hot weather has produced the following "Sympathy Clause" embroidered in roses and the rumor that it has been filed in a number of states:

SYMPATHY CLAUSE

Attached to and forming part of Policy No. of the
Name of Insurance Company
issued at its City or Town
Date Agent

In consideration of the premium for which this policy is written, and subject to the terms and conditions in the policy to which this clause is attached, it is hereby expressly stipulated and agreed that, in the event of occurrence of loss and/or damage to the property insured hereunder as a result of perils not covered under this policy, or in the event of occurrence of loss and/or damage to other property of the insured not insured hereunder, the Company does hereby extend its deepest sympathy and regret in respect to all such losses and/or damages.

Reports on First Year

Riverside of Arkansas, which began operations a year ago, has released its first annual statement and reports assets of \$435,095, liabilities of \$163,754 (of which \$99,434.43 is reserve for unearned premiums), leaving a surplus in June of \$271,341.

Premiums totaled \$148,123, consisting principally of automobile P.D. of \$126,854. Riverside also wrote \$8,319 in fire premiums and \$3,169 in extended coverage. Its loss ratio was 39.11%.

Schedule W. Va. Meeting

The annual meeting of West Virginia Assn. of Insurance Agents has been scheduled for Sept. 10-12 at the Greenbrier hotel, White Sulphur Springs.

Johnson & Higgins of Canada have appointed Roland A. Estall as manager at Montreal.

The Montreal chapter of Canadian Insurance Accountants Assn. has elected as president K. R. G. DeGruchy of the

Samoisette group; E. E. Boyle, London & Lancashire, vice-president; A. W. Hiles, U. S. F. & G. secretary and J. Spencer, Recording & Statistical Corp., treasurer.

American Fidelity Fire of Virginia and Seaboard F. & M. have been licensed in Oklahoma.

Offices of Casualty Actuarial Society have been transferred to Room 901, 60 John Street, New York.

St. Louis Fire & Marine has withdrawn from Ohio.

Wm. Penn Hearing Delayed to Aug. 15

A hearing before the Pennsylvania department of justice to determine a course of action on the suspended William Penn Fire, has been postponed to Aug. 15.

Originally scheduled for Aug. 1, the hearing follows a ban on the writing of new business imposed on William Penn by Commissioner Leslie because

he said the company is facing "a hazardous condition."

The department said the delay was granted at the request of William A. Schnader, attorney for the company.

Pending a further decision in the matter, Leslie had earlier authorized William Penn to make settlements on claims from policies now in force.

C. Bruce Hall has been elected president of York County (Ontario) Fire and Casualty Insurance Agents Assn. Vice-president is Neil McDonald.



A Wolf, disguising himself in the skin of a sheep, and getting in among the flock, easily caught and devoured many of them. And Aesop, in his application of this famous fable said, "Thus it is we see tyranny stalking along under the mask of care and protection." How well that fits the "economic planners" who promise us cradle-to-the-grave security but who fail to mention it will be at the sacrifice of our right to live where we please, work at what we please and spend the fruits of our toil and industry as we please.

Herbert Hoover on his 75th birthday said, "...monopoly of power in the hands of Government instead of the people, is peddled in sugar-coated pellets by those who covet the power...they talk of a "welfare state," when they mean a state where men's freedoms are exchanged for a Government dole."



Fireman's Fund Group

FIRE • AUTOMOBILE • MARINE • CASUALTY • SURETY • FIDELITY

Head Office: 401 California Street, San Francisco 20, California

Departmental Offices: New York • Chicago • Boston • Atlanta • Los Angeles

FIREMAN'S FUND INSURANCE COMPANY • HOME FIRE & MARINE INSURANCE COMPANY

FIREMAN'S FUND INDEMNITY COMPANY • WESTERN NATIONAL INSURANCE COMPANY • WESTERN NATIONAL INDEMNITY COMPANY

Arkansas Association, Bureau File Briefs in Installment Plan Issue

LITTLE ROCK—The five-year installment premium issue which has been a hotly debated subject in Arkansas for nearly a year is fast approaching a determination by Commissioner Graves who now has before him the official briefs of the Arkansas Inspection & Rating Bureau and the Arkansas Assn. of Insurance Agents contesting the filing of the North America. Commissioner Graves this week stated that he momentarily expected to receive North America's brief from its assistant counsel, John C. Phillips, after

which he has 15 days to decide the issue.

The matter of the North America filing came before Mr. Graves officially early this year when the bureau called for a hearing after the company had submitted renewal of its installment filing. Under the Arkansas rating law, all deviations must be renewed annually, and the commissioner is obliged by law to call a hearing upon all deviations unless the hearing is waived by the rating organization.

The hearing was opened in March

and after three days of testimony Mr. Graves asked that formal briefs be submitted by the opposing parties.

The brief of the bureau contests the North America's plan on the ground that it is discriminatory and, hence, a violation of act 50. In opening their brief for the bureau, counsel Verne McMillen and Edward L. Wright state: "On the facts, the question is squarely presented: Is the installment plan unfairly discriminatory?" The brief makes its first point that while North America concedes that its filing is a deviation, yet it concurrently writes business of the same class on the conventional term rule basis. "Deviation" is not a word of art or mystery, the argument continues. "Its meaning is clearly understood and embraces the basic idea of a voluntary departure from an existing norm . . . It is repugnant, therefore, to say that North America is entitled to deviate through use of the installment plan and at the same time write business for like risks under the conventional term rule. Yet that is exactly what it is doing. . . The end result of the practice of North America (as well as all other companies operating under the installment plan) is to discriminate unfairly between risks of like character."

Counsel then argue that a second point of unfair discrimination is the automatic reinstatement-after-loss feature of the plan which is not present in straight term policies. The installment plan purchaser receives automatic reinstatement in his additional flat payment of 3% while the person who pays cash must pay a specified premium in order to receive unearned premium insurance.

Charges Unfair Competition

The bureau's brief also argues that continued approval of the North America's plan will perpetuate and enhance a competitive position which cannot be enjoyed by smaller, though financially sound, companies because of unearned premium reserve requirements. "If the installment plan is placed in universal use," the brief continues, "it is a fair assumption to say that all eligible business will ultimately be written under the plan. If so, it would be absolutely impossible for a small company to start in business if all of it is written on a five-year plan."

North America's deviation is further charged as not in the public interest because (1) adequate credit facilities exist on the part of banks and other institutions operating in the lending field under lawful authority; (2) extension of long term credit through installment premium plans is not a proper function of fire insurance companies; and (3) public acceptance thus far of premium installment plans has been artificially created for purely competitive purposes.

Counsel point out that historically insurance has been conducted on a "cash basis" which has been defined by the Arkansas supreme court as "current money in hand—money paid down." So, if North America collects only 25% down on a five-year installment term policy, yet pays taxes and the like and posts reserves on the basis of a full premium collected in cash, then it is doing a "credit" business.

Not in Public Interest

It is also argued that promiscuous deviations are not in the public interest for "if companies are permitted to deviate at will, rate-making as it is now known will become wholly meaningless, and we will have unbridled competition which can only result in disaster for the insurance buying public and for the companies themselves."

The bureau also contends that the use of installment premium plans produces a distortion of statistics upon which rates are based because the 3% charge is added and reported in experience statistics as "premium."

In its concluding sections, the brief urges that the question of the validity of the term rule is not at issue in the present case although many persons may argue that the problem of in-

stallment premium payments in the fire insurance field flow principally from the provisions of the term rule, or, conversely, that if the term rule did not exist or the term rule were available

WANT ADS

Rates—\$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

AGENCY SEEKS CASUALTY CONNECTION

Well established General Agency in Southwest desires to secure representation of Capital Stock Casualty Company. Present agency facilities afford wide spread of risks. Experienced personnel provide sound underwriting service.

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holding executive position desires change offering substantial remuneration commensurate with 25 years broker, agency and company experience in Mid-West as engineer, underwriter, account executive, producer and state manager. Familiar all lines; qualified expert on Fire and Allied. Draft exempt War II veteran. Address B-14, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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UNDERWRITER—Steam Boiler . . . \$4,500
UNDERWRITER—Comp. Liability . . . 4,500
SALES PROMOTION—Casualty . . . 4,200
SPECIAL AGENT—Casualty . . . 5,000

CADILLAC EMPLOYMENT AGENCY, INC.
220 S. State Street Chicago 4, Illinois
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A well equipped General Agency with Engineering Department, representing outstanding Fire, Casualty and Life insurance companies, will house a broker with minimum of \$50,000.00 annual premiums on desirable class of risks. Address B-10, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Now available to company or agency. Fire and Allied Lines Counterman. Fifteen years experience, rules, rates and forms, Cook County and Western Actuarial Bureau territory. Married, age 34, draft exempt. Will consider position in any location. Address B-11, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WILL BUY

Desirable Casualty Insurance Business producing \$10,000 or more premium income in Detroit area. Address Box B-9, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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ARE YOU LOOKING FOR A TOP-FLIGHT FIRE AND CASUALTY FIELD MAN? YOUNG MAN WITH FUTURE EXECUTIVE POTENTIALITIES. ADDRESS B-12, THE NATIONAL UNDERWRITER, 175 W. JACKSON BLVD., CHICAGO 4, ILL.

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NATIONAL INSPECTION COMPANY CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 47 years.
Inspections and Underwriting Reports.

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Managers Ass't Managers
P. A. Pederson, Chief Inspector

XUM

Home, Pearl Named

National Bureau of Casualty Underwriters has elected Home and Pearl to membership. Seventy companies are now bureau members.



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527 Gas & Electric Building
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FIRE-SURETY-CASUALTY
855-82 Gas & Electric Building
Phone CHerry 7451

Denver 2, Colorado
Colorado-Wyoming-New Mexico-Utah

KENTUCKY

Bradshaw & Weil General
Agency Co., Inc.
Starks Building
Louisville 2, Kentucky

Bureau Files Brief in Ark. PL 15 Test

A brief in opposition to the plaintiff's petition for a review in the case of North Little Rock Transportation Co. vs. Casualty Reciprocal Exchange, et al has been filed in the U. S. Supreme Court by National Bureau and 50 of its member and subscriber companies.

The petition asked the Court to review the decision by the U. S. Eighth Court of Appeals, affirming a decision by the district court for Arkansas, which upheld the constitutionality of public law 15 and the legality of rating bureau operations under the N.A.I.C. all-industry regulatory laws. The petition declares that the regulatory provisions of PL 15, which oust the federal antitrust laws to the extent that insurance is regulated by state law, are unconstitutional. It further attacks the legality of the all-industry regulatory laws, operation of rating bureaus and the assigned risk plans.

The national bureau brief maintains that the Sherman act is inapplicable to cooperative action among insurers in ratemaking and related matters, to the extent that such activities are regulated by state law and that the acts of all defendants were authorized and regulated by valid state laws. It also says that the defendants were entitled to summary judgment, without a trial, as the lower courts found.

Elmira & Chemung County Insurance Women's Assn. at a meeting at Elmira, N. Y. made plans for a new accident prevention course.

STOCKS

July 31, 1935			
Aetna Casualty	3.00	87	90
Aetna Fire	2.20*	51	52 1/2
Aetna Life	2.50	51	52
American Alliance	1.20	23	24
American Auto	2.00	46	50
American Casualty	.80	15 1/4	16 1/4
American (N. J.)	.90	18	19
American Surety	3.00	54 1/2	56 1/2
Boston	2.40	51 1/2	53
Camden Fire	1.15*	20 1/2	22
Continental Casualty	2.50*	51	53
Fire Association	2.60	55	56 1/2
Fireman's Fund	2.60	82 1/2	84
Fireman's (N. J.)	.60	19	20
Glens Falls	2.20*	47	48 1/2
Globe & Republic	.50	10 1/2	11 1/2
Great American Fire	1.30*	27 1/4	28 1/2
Hanover Fire	1.60	29	30 1/2
Hartford Fire	3.00*	109	111
Home (N. Y.)	1.60	31 1/2	33
Ins. Co. of North Am.	3.50*	100	102
Maryland Casualty	.80	16	17
Mass. Bonding	1.60	26 1/2	28
National Casualty	1.50*	29 1/2	30 1/2
National Fire	2.50*	53	55
New Hampshire	2.20	42	44
New Amsterdam Cas.	1.50	32	33 1/2
Ohio Casualty	1.20	59	61
Phoenix, Conn.	3.00*	70	72
Preferred Accident		3 1/2	4 1/4
Prov. Wash.	1.40	29	31
St. Paul F. & M.	3.00*	97	100
Security, Conn.	1.60	30	32
Springfield F. & M.	2.00	43	45
Standard Accident	1.60	31	33
Travelers	12.00	417	423
U. S. F. & G.	2.00	43	45
U. S. Fire	2.00	66	68

* includes extras

D. of C. Orders Issued on Countersignature

WASHINGTON — Superintendent Jordan has cited American Title & Insurance of Miami, to show cause Aug. 31 why its license should not be suspended for issuing a policy without complying with countersigning requirements.

Also Mr. Jordan has ordered Car Credit Co., Inc., a finance company operating as insurance agent, to show cause why its license should not be suspended or revoked, or it be fined \$200 for failure to give to a policyholder a copy of his policy. Mr. Jordan said this was the second offense involving the same company, which was fined \$200 last February.

A District of Columbia regulation said to have the force and effect of law with respect to finance companies, requires copy of policy they write shall be given to insured in connection with auto purchase loans, etc.

L. L. Strauss on Board

Lewis L. Strauss has been elected a director of Merchants Fire of New York, Washington Assurance and Merchants Indemnity. He was an original member of the atomic energy commission from which he retired a short time ago. During the last war he served in the navy, attaining the rank of rear admiral. Recently he was named financial advisor to the Rockefeller brothers.

Named in Ga. Field

Richard McConnell, who has been secretary of the Lansing, Mich., fire department, has been named field representative for Universal Underwriters of Kansas City. He will work out of the Atlanta office.

Jones, Rainville Upped

National Fire has appointed G. O. Jones, formerly agency supervisor in Ontario, superintendent at Vancouver, B. C. Charles A. Rainville has been appointed superintendent of claims for all classes, with offices at Montreal.

Deason in New Iowa Post

Iowa Farm Bureau companies have appointed H. E. Deason regional sales supervisor for a 21-county area in northeastern Iowa. He will maintain headquarters at Waterloo.

Set Legislative Hearing

The California legislative interim committee on insurance and finance will hold its second hearing at Los Angeles, Aug. 31 and Sept. 1.

The anti-coercion question will be considered and the 65 automobile dealers and lending institutions, specifically named at the first hearing, will have an opportunity to present their rebuttal. The mutual agents association also has

requested an opportunity to make a further presentation to the committee.

Littlejohn to N. B. & M.

North British has appointed Jack B. Littlejohn state agent for Missouri with headquarters in the Temple building, Kansas City. He succeeds Charles M. Mills, who resigned recently to go into the local agency business with his brother at Clinton, Mo.

Mr. Littlejohn has had experience as a local agency and field work. He started with an agency at Fort Smith, Ark. After serving in the air force and as a air line pilot he became a company field man.

Mutual Loss Men to Meet

Mutual Loss Managers Conference will hold its annual meeting Oct. 18-19 at the Hotel Astor, New York.

Northern of New York has declared a 38 cent extra dividend for the first six months in addition to the 75 cent regular making a total of \$2.25 for the year. It is payable Aug. 14 to holders of record Aug. 4.

Harold Smethurst, manager of Travelers Fire at Los Angeles, spoke before the San Gabriel, Cal., Rotary Club on "Trends in Insurance Business and Protection Beyond the Policy."

M. A. Reid has been elected president of Huron County (Ontario) Insurance Agents Assn. Vice-president is C. V. Pickard; secretary-treasurer, K. W. Colquhoun.

Rod Hood of the Liscomb-Hood agency at Duluth welcomed the 900 business men from Minnesota, Wisconsin, Michigan and Ontario who attended the annual Duluth Day dinner.

Mr. General Agent!

Sterling Offers You
Quick, Lasting Success in

NEW MEXICO

To the man who can organize and produce, Sterling offers the insurance opportunity of a lifetime. America's most modern, fastest-selling policies... liberal commissions... and strong home-office promotional cooperation to help you grow fast and big. All inquiries strictly confidential. Write:

Louis A. Breskin, President
Sterling Insurance Company
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THIS COULD BE Your STORY.....



LORENZO D. THOMPSON, GENERAL INSURANCE AGENT OF JEFFERSON CITY, MISSOURI, WAS SERIOUSLY INJURED IN A BUS-AUTO COLLISION.



More than \$300,000,000.00 paid in benefits

More than 2,200,000 Policyholders

THE WORLD'S LARGEST EXCLUSIVE HEALTH AND ACCIDENT COMPANY

Maritime Unit Approves Self-Insurance Plan for Mortgaged Ships

The maritime administration has approved a limited self-insurance plan for use by the Waterman Steamship Corp. through which self-insurance will be carried on ships mortgaged to the government. This is the first time the maritime administration has approved self-insurance on ships in which it has an interest.

The Waterman line has 45 ships, about half of which are mortgaged to the government from which they were purchased. Insurance was formerly carried in the American Marine Hull Syndicate. The vessels are C-type cargo ships.

Ocean marine men believe and hope that the self-insurance step by Waterman is only a flash in the pan and not a general move. Some lines already self-insure but hull men don't like to see business fall away at any time.

The steamship line said it thought it could cut operating expenses by self-insuring some perils. Ocean marine people don't think it will find self-insuring an attractive experience.

The Waterman line intends to self-insure total loss, general average, salvage and collision.

The maritime administration, in agreeing to the self-insurance proposal, stipulated that the line must carry a \$5 million surety bond guaranteeing payment of all claims covered by current forms of hull insurance except claims for total loss, and all claims covered by marine protection and indemnity, except that part of any claim that exceeds \$100,000. Some coverages are still being insured.

The administration is accepting from the line marine total loss coverage on each ship equalling the unpaid balance of the notes plus 20% and marine P. & I. containing a deductible not exceeding \$100,000 per claim. The self-insurance arrangement may be terminated on 60 days' notice by either party.

The originating surety on the \$5 million self-insurers bond is U. S. F. & G. A bond of that size will be extensively re-insured. Pieces of the line have been offered in the surety market.

Cheek Asks Bureau to Settle Own Disputes

RALEIGH, N. C. — Commissioner Cheek has asked North Carolina Fire Insurance Rating Bureau to exert every effort to settle disputes among member companies before they reach him.

At a recent public hearing on the controversial installment premium payment plan, Mr. Cheek told representatives of the bureau that he thought the bureau "should give more consideration to minority opinion among member companies."

"I think," Mr. Cheek said, "that the bureau could give more consideration to the views of minorities. After all, the bureau represents all the companies. If every argument between the companies were allowed to come up here, we could have endless hearings."

He has not yet made his decision on whether the installment premium plan shall be retained in North Carolina, but he is expected to decide shortly. The rating bureau has made modifications at his request, but aroused North Carolina opposition by recommending an increase in the first premium.

Honor Moore-Avey Agency

Springfield F. & M. honored the Moore-Avey agency in Oklahoma City with a dinner in recognition of the agency's completion of 55 years representing the company. Roy E. Wessendorf, secretary of the company, presented Ted R. Moore, the president and manager of the agency, with a certificate of appreciation and an inscribed electric clock. Also on hand were Mrs. Moore, Mrs. W. A. Swilley, and Miss Ruth Berry of the agency, Dudley G.

Hunt, Jr., state agent, and Mrs. Hunt, and Hancel A. Love, Jr., special agent.

Springfield established the first recording agency in Oklahoma City in 1890 when Robert A. Davis was appointed an agent. The Davis agency was succeeded by Levi Overholzer & Co. Newton Avey joined that agency in 1895 and it was later operated as Overholzer & Avey until 1932 when Mr. Avey became sole owner. Mr. Moore has been with the agency for nearly 20 years, and became part owner and manager upon retirement of Mr. Avey in 1945. He has been sole owner since the death of Mr. Avey in 1948.

Tex. Expands Additional Interest Regulations

The Texas board of commissioners has approved the following new additional interests rule for inclusion in the list of additional interests which may be included without additional premium charge. Oil or gas operations—working interests—co-owners, joint ventures or mining partners having a non-operating working interest with the insured in oil or gas leases, on policies covering the operators of such leases.

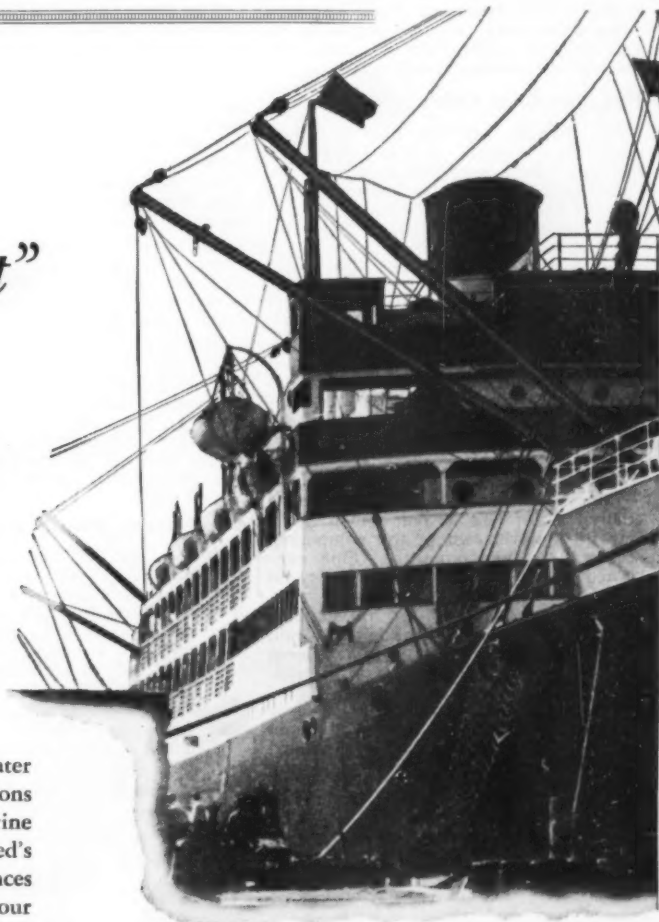
The new rule applies to all policies effective on or after Aug. 1, and may

be applied as of Aug. 1, 1950 to any policy effective prior to that date.

The rule, contemplates that such co-owners, joint ventures, or mining partners having a non-operating working interest with the insured in oil or gas leases, may be specifically named or included on a blanket basis, on policies covering the operation of such leases. Companies may prepare their own endorsements to afford such additional interests coverage.

C. J. Hershe, northern California manager for Fidelity & Guaranty since 1944 has resigned to enter the local agency business.

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N. Y. Discrimination Hearing is Quiet Affair

(CONTINUED FROM PAGE 1)

as to the second claim which was around \$75.

The policy was renewed in 1949. In October the policy was cancelled. No reason was given.

John W. Arnold, retired businessman of Pleasantville, N. Y., submitted two complaints, one involving Lumbermen's Mutual Casualty on automobile full cover insurance on his 1942 Dodge. The insurance was written in December 1947. He was notified of non-renewal in November, 1948, by David L. Chapman, broker. This letter was read. The reason the company did not want to renew was because of Mr. Arnold's claim frequency, the broker wrote.

Had Two Glass Claims

Mr. Arnold said he had had two claims in two years, 1947 and 1948, and the two were for broken glass. He stated he had carried his insurance with this company since 1935. He could only recall three claims altogether. The third was not made till the renewal was refused, a claim for two stolen hub caps.

Mr. Arnold filed complaints against Atlantic Mutual and Atlantic Mutual Indemnity. The broker was Harry H. Foster Co.

A letter from Atlantic Mutual about the same time confirmed the cancellation in no way reflected on Mr. Arnold's good faith. It was signed by William D. Winter, president.

Royal-Liverpool Involved

James Greenidge, Lenox avenue, a colored insurance broker since 1945, was involved in two of the complaints received by the committee. One concerned a household furniture policy in Royal-Liverpool.

The policy was in effect three years when the company notified it would not renew. The property did not meet the underwriting requirements, the letter said.

Mr. Greenidge said he did little business with this group. The main reason was that shortly after he started with the companies they indicated over the phone as he put in orders they

were not writing much in that neighborhood, or words to that effect.

Was there anything written, Mr. Bleakley asked. No. It was not a matter of the small business he gave them.

Another fire policy was on furnishings written in Home. It was in effect three years and then not renewed. The company indicated the business did not meet its underwriting requirements.

Business Taken Elsewhere

Was the insurance written elsewhere? He replied yes but couldn't recall with what insurer. He indicated that when Home closed out National Liberty and Georgia Home he had to find other companies, Hartford Fire, Thames & Mersey and others. He seemed to find no difficulty in getting companies to write his business. At about that time three years ago all the companies seemed to close down on writing all at once.

He could not recollect how much business he placed with Home, or how many or how much losses Home paid on his business. The largest claim he could recall was \$3,100 in three companies.

He had cancellations or refusals to renew or accept business from Cosmopolitan Mutual, Fidelity & Guaranty, U. S. F. & G. He said Hartford Fire should not be included because it accepted business generally. Its declinations were as to specific kinds of risks not all risks.

Auto Liability Hard to Place

He said he had had much difficulty in writing auto liability. Companies in refusing never specify what their underwriting requirements are but gave them as reasons for refusal. He said in five years he had over 100 turn-downs on various kinds of insurance.

Charles W. Axt, a colored broker about 15 years, said a policy on household furniture written in Home was not renewed after nine years. There were no losses. The usual excuse was given, it did not meet underwriting re-

quirements. He placed it in Hartford Fire "which has been very liberal in taking business." He had been giving all his business to Home, directly and indirectly. General losses on his business were very small. Mr. Axt, like Mr. Greenidge, had filed complaints with the insurance department. These dealt with auto, buildings and household furniture.

The Allstate regional office wrote Mr. Axt that they were cancelling his own auto policy because it didn't meet Allstate's standards.

Moser Promises Investigation

Henry S. Moser, counsel, said he would look into this case. Mr. Axt bought the policy from Sears, Roebuck. He had had no losses. He has driven 30 years, never had an accident, and this was the first time he had carried liability coverage. The car was a 1948 Lincoln.

He said the fire companies began declining business about three years ago, on the ground they were not writing in that neighborhood or that Mr. Axt did not have an account with the company. He said he had quit trying to place auto business. Recently Cosmopolitan Mutual turned down an O. L. & T. policy on a church by saying it was not taking on any new brokers. White & Camby recently turned down four lines in different sections, but all in colored areas, with a note "we don't write in that area." He also had a form letter from this agency in January, 1950, stating the agency was putting him on list for its publication "News & Views" and stating the agency could be of real service. This Mr. Axt regarded as solicitation. He said he wanted to show his appreciation for the publication which he likes. These four lines were the only business he ever offered this agency.

Loses All Business to Others

Three or so years ago Mr. Axt lost all his auto business because he could not keep it in force. Other brokers wrote it, colored risks, he said. Mr. Axt

said he was a postal employee and spends evenings writing insurance.

Santangelo said he had a letter from insured who had an auto liability policy which Metropolitan Mutual Casualty refused to renew. Allstate then wrote it.

Santangelo said he had trouble getting brokers to appear at the hearing for fear of reprisals. Senator Friedman said to let him know if there were any reprisals, he would get contempt citations. Santangelo mentioned several brokers who had declined to appear on this ground. Chairman Condon reassured him there would be no reprisals.

Santangelo had a collision policy cancelled by Glens Falls. His broker wrote him, stating the firm did not write business in that area.

Santangelo said he would not object to cancellation on ground he was a bad risk though he said he thought he was not. The car was a 1941 Cadillac. He did have a small malicious mischief claim. He now has coverage on his Packard and Cadillac. He had no trouble getting other covers.

Two auto owners who were having trouble getting insurance got it readily after newspapers announced the committee hearing on discrimination, Santangelo said. Neither was colored. No company he knows ever has said it would not write a policy because insured was a Negro but it can tell by address the color of the resident.

Puts Cover in Hartford Fire

Charles S. Frost, colored, a broker since 1943, submitted several complaints, one against White & Camby, agent for North River. This involved transfer of an account the agency wrote cancelling a household furniture policy. Frost replaced it in Hartford Fire. Another policy involved fire cover on a building. Declination was by phone. He placed it elsewhere. There were other policies Charles D. Fraser Co. declined to renew. However, he canvassed the insurance district and was able to place all of it but one or two small policies which he didn't know what happened to. He said he didn't think that declining to renew represented anything personal. He sought to indicate that not writing his business was really directed toward colored insured. One auto liability policy cancelled by New York Casualty was in a non-congested area where colored and whites live including Jackie Robinson and Lena Horne. None of these properties or risks had experienced losses.

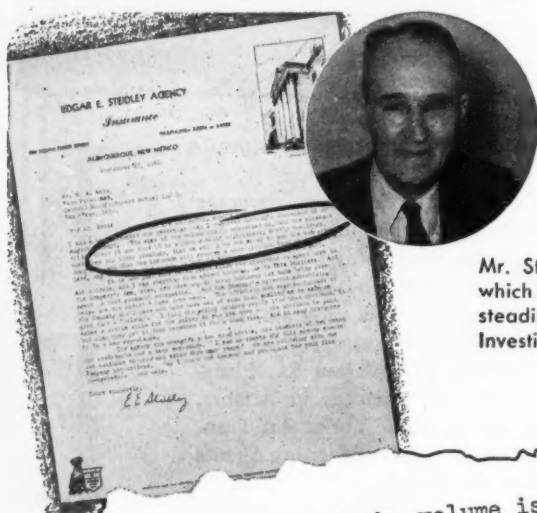
Frost gave Fraser about \$4,000 in premiums. He talked to Thomas Fraser and others at the agency and their replies were that they were taking such action because their companies asked it. These complaints were investigated by the insurance department. Mr. Fraser's answer there was the account was too small. "He never asked me to increase it." Frost does about \$25,000 premiums a year. He writes white and colored. He testified he had no trouble placing auto liability for whites but did for colored.

Hartford, F. & G. "Fine"

Hartford Fire and Fidelity & Guaranty write his business promptly or give him good reason for not doing so. "They operate fine," he said, but other companies turned down business on flimsy excuses. His experience is some insurers do business in Harlem, others don't except possibly for big brokers. Some agencies advertised for business then turned him down.

Sen. Friedman pointed out insurers turn down lines for reasons other than colored ownership.

Brooklyn office of Home began about the same time as Fraser to refuse renewals. One Home Indemnity auto policy after six years was not renewed. The company knew insured was colored from inspection report at the outset. Frost didn't inquire why but placed cover elsewhere. He guesses the real reason was that Home Brooklyn office was cutting down on the amount of business done with him. This was business from Jamaica district. He said companies ought to tell the broker if



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his account is too small and not waste the broker's time. The Brooklyn office of Home notified him blanket no more policies would be renewed but 75% of the rest of his business still is being placed in home.

East Harlem Business

John Lanzetta, broker, said he had trouble placing policies on east Harlem business. Underwriters told him graciously they didn't write in that area. Mr. Bleakley asked him to submit cases declined by Travelers. Mr. Lanzetta said he could not because he was called in four years ago by Travelers office before a committee and told that the company would not take any more of his business. He has only white clients. Owners and tenants are white. It is, he admitted, an area problem.

He has been doing business with U.S.F.&G. and has no trouble placing fire business but does have on auto, liability, plate glass, and fur floaters. About an hour before he appeared U.S.F.&G. turned down an auto policy. The underwriter said they didn't do business in that area. The size of account, kind of auto or age don't matter, the underwriter said. In 1948 a neighbor of Mr. Lanzetta had a new car. U.S.F.&G. turned it down for area reasons and an under 25 driver in the family. He now does most of his business with Firemen's group. They have rejected no risk he has submitted.

He tried several companies direct but when he said most of his business was in Harlem they wouldn't open an account with him. He went to White & Camby and didn't say where his business was. From time to time he tried to slip in a Harlem risk but they wouldn't take it. He gave other brokers lines to place for them but they also were unable to place it. It was, he admitted, a time when many companies were cutting down on auto liability writings. He persuaded White & Camby to take cover on his brother's new car. He is a doctor. Kids knocked out a glass. The underwriter said "starting already." Later a brick was thrown through the windshield. "Again," the underwriter said. The two losses aggregated \$15 and he pays around \$300 premium. The Agency declined to renew and said would appreciate his doing his business elsewhere.

No turn-downs were because of discrimination as to color and he can place all of his business. His problem is he has only this one group. If it goes, he is done, he said. He still places some with U.S.F.&G.

A. Basil Griffith, colored broker in Harlem 12 years, had complaints on Travelers, Home, Fidelity & Guaranty, Cosmopolitan Mutual and U.S.F.&G. He said Travelers wrote for him five years with very good relations up to 1947. Then he had a few bad losses and Travelers cancelled the auto liability account because of excessive losses. Otherwise he found it a very good company to do business with. He found it very easy to replace these policies. The company wrote only auto liability in that area at that time. He wrote for Home through Joerns & French. Then they cut down drastically because of congested areas. This Mr. Griffith says is a trend countrywide. He placed the lines elsewhere.

One cause of losses in congested areas is because of poor housekeeping. Loss settlements have been liberal. He feels losses could have been settled 60% to 80% of what they were. He tries to get landlords to maintain the property. Some inspection reports are written in cars, without a check of the property. There has been a tendency to cut down in Harlem.

He suggested close check on every application. Insurers don't like rooming homes yet some are high class. City officials should inspect cellars and areas and enforce good housekeeping. Then if insurers don't write them they should be investigated.

He agreed it is a problem of profit and loss, not discrimination. It is unfair however to decline business just be-

cause of location.

Cosmopolitan set a ratio of 40-60 auto to general business. Two cars in a building may run \$40 premium, but he may get only one \$16 barber shop comp policy there in addition. The proportion is unfair.

Sets up Wash. Receiver Office for Rhode Island

Commissioner Sullivan, who has been named co-receiver for the Rhode Island's assets and business in Washington, has established offices for the receiver at Seattle.

All claims and obligations arising prior to July 20 must be filed with the receiver prior to Sept. 20, and all claims arising after July 20 must be filed within 60 days.

Commissioner Sullivan is permitting agents of the Rhode Island to replace policies with other companies on a pro-rata basis for the unexpired term. He warned, however, that under the Washington insurance code an agent taking an assignment from a policyholder of a return premium due from the Rhode Island may not use the amount as an offset against any balance due the company. Balances will have to be paid to the receiver, he cautioned agents, re-

gardless of whether there are offsetting items due from the company.

The Rhode Island court order appointing the permanent receiver requires Mr. Sullivan to file a complete financial statement of the company not later than Oct. 20, 1950.

Downey Petitions Court

LOS ANGELES — Commissioner Downey has filed in superior court at San Francisco a petition asking an order authorizing him as conservator of the Rhode Island to handle all claims against the company and an order authorizing the cancellation of all policies on a pro rata basis.

This action followed the continuance until Sept. 11 of the hearing on Mr. Downey's petition for an order of liquidation of the company in California. Roy Bronson, San Francisco counsel for the company, argued against the granting of the order holding that under California law every effort must be made to rehabilitate the company; that under court precedence it has been held that liquidation must be in the last resort and that Mr. Downey had made no effort to rehabilitate the company.

Rejects R. I. and Wm. Penn

OKLAHOMA CITY—The authority of the Rhode Island and William Penn

Fire to do business in Oklahoma has been revoked. Commissioner Dickey reported their financial condition unsound and stated that their further transaction of business in the state would be hazardous to the policyholders and the public. The state insurance board has advised agents of the companies it has no objection to the cancellation of outstanding policies and simultaneous assumption of policy liability by other companies.

MICHIGAN REVOKES LICENSE

LANSING—The Michigan department has revoked the license of the Rhode Island and has notified its 26 agents in the state that they will not be permitted to place business with that carrier in the future.

Commissioner Farlies noted that the Rhode Island is now operating under a receivership and that he has "grounds for belief it is in unsound financial condition."

Aggregate premium volume of the company in Michigan for 1949 amounted to approximately \$71,000, of which \$20,000 represented motor vehicle business. Its Michigan loss ratio for the year exceeded 100%, amounting to some \$89,000. Rhode Island was admitted to Michigan in 1907, but its volume in the state never was large.



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NEWS OF FIELD MEN

Harwood, Patterson Join Pacific National Fire

Robert D. Harwood has joined Pacific National Fire as state agent in Tennessee.

Mr. Harwood is a fire protection engineering graduate of Illinois Tech. He started with Tennessee Inspection Bureau and more recently has been Tennessee state agent for Crum & Forster.

He is secretary-treasurer of Tennessee Fire Prevention Assn.

Pacific National Fire has appointed Elmer J. Patterson as state agent in southern New Jersey. His headquarters will be at Camden. He has been in the southern New Jersey field for Pearl.

Kansas Chairmen Named

W. W. Barrett, Fireman's Fund, M. L. G. of Kansas Blue Goose, has ap-

pointed committee chairmen. They include Curtman Maupin, Home, jurisprudence; J. F. Springer, Topeka adjuster, membership; Robert W. O'Brien, Royal-Liverpool, captain of the guards; N. K. Nelson, Great American, historical; Byron R. Ward, Glens Falls, education and publicity, and publications; Dean Yeager, Springfield, auditing; Hughes C. Cunningham, Sheffer-Cunningham, Wichita, initiation; Dean B. Snapp, National Fire, bowling; C. B. Frazier, Aetna, luncheon; Carl W. Moore, independent adjuster, flowers; Ken J. Stojke, National Fire, entertainment; E. H. Fikes, Home, contributions, and Mr. Barrett, executive.

Miller Succeeds Scott in So. Car. for American

American has appointed Paul R. M. Miller as special agent for South Carolina. He succeeds E. Hughes Scott who has been assigned more responsible duties at Atlanta.

Mr. Miller, a graduate of the University of South Carolina, served 18 months in the navy. He will have headquarters in the Liberty Life building, Columbia.

N.D. Committees Named

Committee appointments of North Dakota Underwriters Assn. have been made by the executive committee. Walter Mashek, St. Paul F. & M. is chairman of the balance rule committee; Ralph Rosenlund, Home, is general chairman of public relations, with Yale Gooden, Hartford Fire, in charge of the western half of the state. J. W. Williams, Home and W. C. Oakes, St. Paul F. & M., comprise the scholarship and education committee. Mr. Rosenlund was named executive committee chairman and R. J. Shamla, American Eagle, is chairman of the speakers committee. B. G. McCord, Agricultural, is press reporter.

Brooks to North British

North British group has appointed James A. Brooks as special agent for Georgia with headquarters in Atlanta, where he will be associated with state agent C. M. Glandson. He served in the army during the war. For the past several years he has been with Georgia rating bureau.

Harris New Quebec MLG

R. A. Harris, Montreal broker, has been elected most loyal gander of Quebec Blue Goose. Other officers include G. C. English, J. H. l'Esperance, H. F. McDonald, L. J. Leclerc and Paul Viens.

Hull Named in Indiana

London & Lancashire have appointed William H. Hull as special agent in Indiana. Mr. Hull is a war veteran and a graduate of Butler University and for several years was in agency work in Indianapolis.

He is the son of Harry W. Hull, London & Lancashire state agent in Indianapolis, whom he will assist.

To Discuss Inspection Plans

The proposed town inspection program of the Pacific Board will be discussed by Frank C. Colridge, general manager, at a meeting Aug. 7 at San Francisco of Northern California Underwriters Assn.

Following Mr. Colridge's talk, there will be an open discussion.

New L.A. Forum Elects

The newly formed Fire Underwriters forum of Los Angeles has elected Stewart Bellows, Glens Falls, as president; Frank Unthank, London Assurance, vice-president; W. J. Goldwater, America Fore, secretary-treasurer, and Norman Mulgaard, Great American, assistant secretary-treasurer. The new organization has a membership of 50.

NEW YORK

NEW SOCIETY COURSES

A class in orientation will be held by the Insurance Society of New York, begin the week of Aug. 7. The session will be an hour long, held from 1 to 2 p. m. twice a week for ten weeks. The class is planned to enable those new to insurance to learn the functions of the various company departments, terminology of the business, etc. The course is not available under the GI bill, and has no point evaluation for credit in the courses of the school of insurance.

A series of lectures on casualty materials and rating is being offered again by the Insurance Society of New York. Classes will be held at noon, 1 to 2 p. m. twice a week for ten weeks, beginning the week of Aug. 7. The instruction is not available under the GI bill and carries no credit under the school program.

The lectures are planned to assist rating department employees and clerks who wish to enter the rating department. Instruction covers liability, compensation and automobile manuals, sufficient to give an understanding necessary for a rater or policy checker. The procedure required to prepare applications for policy writing, computation of premiums, and to rate, check and code new business and renewals is also included.

THIRD GENERATION

Thomas W. Sweeney has joined the 81-year-old New York City brokerage firm of H. Mosenthal, Inc. Mr. Sweeney is a graduate of University of Pennsylvania and earlier served in the air force. He is the third generation in his family to serve the organization, his grandfather, Thomas M. Sweeney, being president, and his father, Thomas W. Sweeney, vice-president and treasurer and also vice president of National Assn. of Insurance Brokers.

Woodward & Fondiller, New York consulting actuarial firm, has moved its offices from the downtown insurance district to larger quarters at 52 West 57th street.

Gwinn Expands Life Unit

Homer Gwinn & Co. of Chicago has become general agent for Mutual Trust Life and opened a life department with Arthur L. Jackson as manager. Mr. Jackson has been with Gwinn & Co. since it was formed in 1934 with the exception of defense work during the recent war. He entered the insurance business in 1931 at Chicago with the Zischke agency of Union Central Life, in which he became a supervisor. The life department has its own quarters at 860 Insurance Exchange building adjacent to the other departments.

Complete St. Louis Survey

ST. LOUIS—A survey made by National Board engineers has listed the fire protection facilities of St. Louis as good, but some personnel increases were recommended. One major recommendation in the report is that the capacity of the Stacy Park water storage reservoir in St. Louis county be increased from 100 million gallons to 200 million gallons. No changes in the fire rating classifications for St. Louis are expected to result from the survey.

Forest S. Pearson, Austin, is the chairman of the new committee of Texas Assn. of Insurance Agents which will work with the company loss committee of Texas Insurance Advisory Assn.

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MARINE

Waskom to East Texas

John B. Waskom has been named marine special agent in southeastern Texas for Fireman's Fund. His headquarters will be in the Bankers Mortgage building, Houston.

Mr. Waskom has traveled as marine special agent for Fireman's Fund at Dallas for the past several months.

Joins Ladd Agency

Franklin P. Liberty has joined the Merlin J. Ladd agency of Boston. He has been marine special agent for the Boston general agency of Fairfield & Ellis and before that was marine special agent for North America in the Philadelphia territory.

Far West Agents Plan New Public Relations Program

Far West Agents Conference at a meeting at San Francisco, developed an amendment to the constitution and by-laws which would set up a working committee to represent all states in the territory on subjects of interest to the public. The amendment will be referred to each state association and final action will be taken at the annual meeting of the conference at Chicago in conjunction with the convention of the National association.

The Far West meeting was called by Ralph Callister, Salt Lake City, chairman. Among those attending were Joseph A. Ottenheimer, Salt Lake City; Harold E. Barnhart, president, and Lorin K. Carroll, vice-president, California association; George R. Miller, Helena, state director Montana association; Frank P. Middleton, secretary Arizona association, and Elwell C. Case, Seattle, Washington association.

Representatives of the conference met the next day with the consulting committee of the Pacific Board. The agents brought up problems in connection with the industry designed to effect a common approach to matters concerning the public interest. This included public relations, streamlining procedures and development of coverages with particular attention to development of a service to meet present day needs.

Riley to Conn. Field

Edward J. Riley has been named by Northwestern Mutual Fire as special agent in Connecticut. He has been with the company for some years becoming senior underwriter in 1948.

Daniels to N. Y. Underwriters

John Daniels has been appointed Oklahoma state agent for New York Underwriters succeeding Edward Johnson who has transferred to North Carolina. Mr. Daniels had previously been America Fore special agent in Texas.

To Study Royal Operations

Professor George C. Connelly of Williams College has been granted a fellowship by the Foundation for Economic Education for a six weeks' study of the operations of Royal-Liverpool Group.

New Radiation Hazard Book

"Radiation Hazards of Radioactive Isotopes in Fire Emergencies" is the title of a new booklet issued by International Assn. of Fire Chiefs. It offers safety precautions for handling radioactive material and emergency procedures for fire-fighting personnel in areas where such substances are used. The booklet was prepared in cooperation with the research division of the National Board.

The book emphasizes that it is as important that atomic and radioactive hazards should not be unthinkingly exaggerated as it that they should not be overlooked. Radioactive isotopes and isotopes-labeled compounds are used in

quantities so small that they do not in themselves contribute to the cause of fire nor do they tend to increase the intensity of combustion. However, a certain amount of radiation is continuously emanating from radioactive substances and under some circumstances a degree of hazard may be present. More than 10,500 individual shipments of 100 different kinds of radioactive substances had been made as of July, 1949 and the number appears to be doubling each year.

Denies Keystone Petitions

HARRISBURG, Pa.—Dauphin county court has turned down a petition of former policyholders of the defunct Keystone Mutual Casualty for intervention in liquidation proceedings.

Petitioners claimed the mutual could be rehabilitated; that nothing has happened since it was thrown into liquidation in June, 1947; that it is solvent and should not be liquidated. Judge Neely, who did not agree with this position, threw the petition out. Early last month he ordered a complete audit of the company by the department.

John D. O'Neil, former vice-president, is chairman of the committee trying to rehabilitate the company. Two other former officers of the company, Nathaniel P. Kann, president, and Andrew J. O'Leary, vice-president, were convicted after a trial of issuing false financial statements and were fined \$1,000 each. Charges of embezzlement against them were dropped.

Judge Neely said the court has no statutory authority for rehabilitation because Keystone's charter was vacated more than three years ago. He added the court has limited jurisdiction under existing laws to direct liquidation proceedings in insurance cases, but cannot operate in reverse of this and order rehabilitation of companies after they are thrown into liquidation.

Walker Opens Own Office

Tom H. Walker has opened the Tom H. Walker Adjustment Co. independent adjusting firm at Dallas with offices in the Reserve Loan building.

Mr. Walker started as an adjuster in 1928 in Hollywood, Cal., and joined United Adjustment in 1936 serving as manager at Dallas in 1943 to 1950.

N.A.I.W. President

Mrs. Eleanor A. Sage of Topeka, the new president of National Assn. of Insurance Women, is associated with the Webb Woodward agency.



Mrs. E. A. Sage

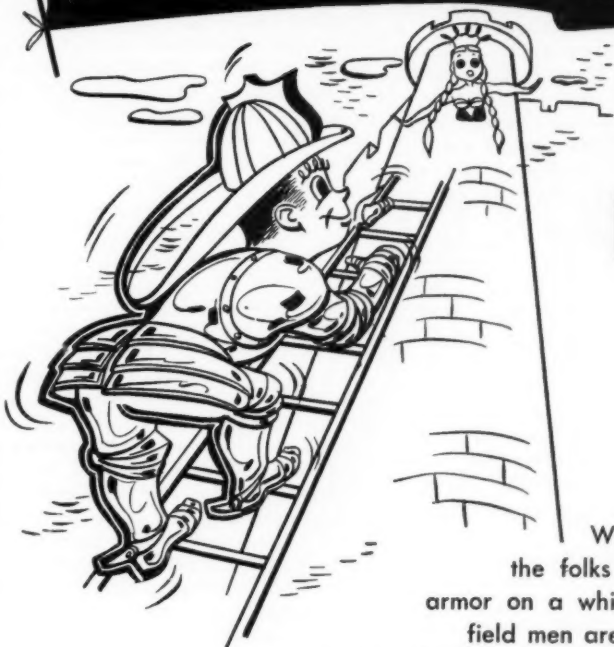
Mr. Woodward is Kansas state director of National Assn. of Insurance Agents.

Mrs. Sage was formerly treasurer of Topeka Savings & Loan Assn. She entered insurance in 1942 with the J. Newell Abrahams agency which was later purchased by Mr. Woodward.

She has served as president of Insurance Women of Topeka, as director of region seven and for the past two years was vice-president of the national association.

Traders & General of Dallas has been licensed in Washington.

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EDITORIAL COMMENT

Another Square Corner

Another decision emphasizing the strictness of the policyholder relations that apply in a government insurance setup has been handed down in a case involving Federal Crop Insurance Corp. The decision was given by the U. S. tenth circuit court of appeals in Mock vs. U. S.

On Aug. 31, 1945, Mock applied to FCIC for insurance on wheat crops to be produced in 1946, '47, and '48, on lands in Carter county, Oklahoma. The application was accepted, and incorporated in it was a premium note executed by Mock covering the premium for the crop year 1946 for \$411.40 due June 30, 1946.

The U. S. commenced an action on behalf of FCIC to recover the installment. Mock admitted the claim but set up a counter-claim.

The contract provided that the average yield per acre for each insurance unit should be established by FCIC for the first year of the contract. County agricultural conservation committee on April 29, 1946, recommended that the yield on Mock's wheat land be established at 6.5 bushels per acre. The yield was finally established at 6.5 by the state director of FCIC on May 3, 1946. The yield would normally have been fixed about Dec. 1, 1945. The delay was due to the inadvertence of the county administrator in the office of the county agricultural conservation association. The wheat was harvested about June 1, 1946. Mock had been told by the agent in Carter county for FCIC that he was insured for 12 bushels per acre and he did not learn that the yield had been established at 6.5 bushels until shortly after the wheat was harvested. About June 15, 1946, Mock sought an increase by review. The county committee then recommended that the yield be increased to 10.5 bushels. The wheat was damaged by green bugs and actually yielded 6.5. On Nov. 27, 1946, the FCIC manager denied Mock's appeal on the grounds that it was unjustifiably delayed; FCIC would not approve an adjustment which would increase its liability after a loss had occurred and that the county committee recommending that the yield be increased "did not give proper consideration to all the factors that should have been considered."

From a judgment denying the counter-claim and awarding the U. S. judgment for the installment of the premium Mock has appealed.

Mock did not file a proof of loss. After he had given notice of loss to FCIC on form FIC-8 he went to the office of the county administrator at Ardmore to file a proof of loss. The county administrator discussed the matter with the district adjuster for FCIC. The adjuster orally advised the county administrator that Mock should not submit a proof of loss unless the yield was increased. On his inspection report the adjuster stated: "No statement of proof of loss will be submitted until and unless the average yield is increased."

There was no proof that the adjuster was authorized to waive proof of loss or to authorize the county administrator to waive proof of loss, the higher court said. Moreover, the waiver must rest upon the statement of the county administrator to Mock, that the county administrator was not "authorized in writing by a duly authorized officer or representative of the corporation" to make such waiver. The statement of the county administrator acting without authority even though both Mock and the county administrator were ignorant of such lack of such authority, did not excuse Mock from filing the proper proof of loss.

This decision brings to mind the decision of the U. S. Supreme Court in a Federal Crop Insurance Corp. case along in the fall of 1947 and that was the subject of an editorial in THE NATIONAL UNDERWRITER of Nov. 20, 1947, headed "Turning Square Corners."

Justice Frankfurter in the majority opinion in that case stated:

"Whatever the form in which the government functions, anyone entering into an arrangement with the government takes the risk of having accurately ascertained that he who purports to act for the government stays within the bounds of his authority. The scope of this authority may be explicitly defined by Congress or be limited by delegated legislation, properly exercised through the rule-making power. And this is so, even though, as here, the agent himself had been unaware of the limitation upon his authority."

Under the circumstances of that case, Justice Frankfurter stated that recovery could be had against a private insurance company. But he went on to say FCIC is not a private insurance company. "It is too late in the day to urge that the government is just another private litigant for purposes of

charging it with liability whenever it takes over a business theretofore conducted by private enterprise or engages in competition with private ventures."

We think that on the whole FCIC has provided a worthwhile service and it is an intelligently conducted govern-

ment office and we are not "taking picks" at FCIC. We simply mention this latest decision and link it with the U. S. Supreme Court decision in 1947 as an important kind of difference between avenues of private enterprise and services supplied by a bureaucracy.

Approach to Problems of War

Fire and casualty executives are deeply concerned about the effect of war, first of all as citizens and secondly because of the responsibility they feel to the companies they head and for which they must supply the leadership in critical times. This concern is laudable, and it is not surprising to find that these men are the most sensitive to the loss of manpower.

In discussing the matter with them, it becomes apparent that they are anxious to make the right approach to the problems engendered by the war. They are especially fearful lest a move of theirs or a move made in the wrong way should contribute to the panic of those in their organizations and the persons dependent upon them.

This is certainly understandable. It would be a poor time to act in such a way as to add to the apprehensions which everyone has today. However, it seems hardly likely that an executive can create nervousness about the war and its possible effect on personnel by discussing it calmly and planning on possible future eventualities in a reasonable, intelligent way, to an extent greater than the personnel has already been stirred up by the reports of war events on the front page of the morning newspaper.

Actually, an intelligent assessment of the situation and how it is likely to affect operations will do much to forestall panic and the sort of decisions that are made in an atmosphere of that kind. In other words, hesitancy "to stir things up" should not deter an executive responsible for steering a successful course during a troubled time, from taking stock and planning on contingencies that may well arise tomorrow or next month.

One executive has met the problem by ascertaining directly or from records or through department heads the military status of men likely to be drawn directly into the war immediately. He has this information in hand. He has gone about this, however, in a way to disturb his people the least. Knowing that wise precautions are called for, he is planning now to make what adjustments that can be made, as it becomes necessary to make them. There is no cause for panic, but there is reason to foresee the effect of probable

events and to make well reasoned plans for adjustment or modification when those events occur.

In other words, he has taken inventory, he is calculating the risk, and he is determining what action he can and would take under given circumstances. By moving promptly, he gives himself time to think and to confer with associates on matters of serious concern, where an unwise decision might cause considerable difficulty and produce future troubles that can be avoided. For example, the suggestion has been made that certain disabled veterans might be used in those areas of fire and casualty processing that are sedentary and do not make an exacting call on physical facilities. Yet in this connection, it is necessary to weigh the effect on the group insurance programs, life, pension and disability, that such a move might produce. A company could buy itself serious problems. It might be able to take aboard a limited number of such personnel with agreed upon limitations.

There will be great pressure for short cuts if mobilization steps up. Yet these must be examined and studied from all angles to determine if they will produce savings and if they will not produce more future difficulties than they are presently worth.

Keeping posted on GI legal matters, rights to return to the job, what to do about separation salaries, etc., is important. Many of these things must be settled early; as a practical matter they cannot wait until all the returns are in.

Of course the business will lose a certain amount of manpower. There may be restrictions that are irksome. But among executives there seems to be a conviction that if the worst happens, the business is going to go forward and be of service to the country in a time of stress. Those that continue on the home front are not going to have to break their backs. Many of them will have to carry more of the load than in normal times, and they are quite willing to do so. Certainly it is up to the business to make a good record and to show what private business and individual responsibility can do, in a period of crisis. Calm and deliberate planning at this stage is indicated.



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PERSONALS

Donald F. Dickey, who won renomination on the Democratic ticket for Oklahoma insurance commissioner had a margin of 97,899 votes. Bill D. Read, his only opponent in the primary run-off July 25, received 143,077 votes as against Dickey's 240,976.



Donald F. Dickey

Mr. Dickey has been Oklahoma commissioner since 1946 when he was appointed to fill the unexpired term of the late Jess G. Read, the father of Bill Read.

Donald L. Warner, of the Los Angeles office of General Appraisal, was elected state commander of the California Veterans of Foreign Wars. He has been granted a one-year leave of absence by General Appraisal in order to devote his full time to his new duties.

Fred Bertiaux, president of the newly formed Florida Home of Miami, is in New York this week arranging for re-insurance. The sale of stock has been completed and the company is licensed. Mr. Bertiaux expects to be in Chicago next week.

Chicago Assn. of Casualty Managers was host to Insurance Director Hershey of Illinois and a large number of department personnel at the annual outing at Olympic Fields Tuesday. Part of the group engaged in golf and the more speculative-minded attended the horse races at Washington Park. J. Edward Day, who was recently appointed assistant insurance director and who, it is taken for granted, will succeed Mr. Hershey as the director Sept. 1, was present and became acquainted with many of the group for the first time. Some of the commissioners of other states who were at Chicago for the meeting of the committee of National Assn. of Insurance Commissioners taking up the matter of war clauses on life insurance policies, went out to Olympic Fields for the evening festivities.

Maureen A. Smith, daughter of E. W. Smith of Sioux Falls, the well-known South Dakota general agent, is to be married Aug. 9 at St. Mary's church at Sioux Falls to Earl L. Budde. They will have a wedding trip to Colorado.

Joins His Brother's Agency

M. Jay Wanamaker has joined the agency of his brother William in Topeka, Kan. He spent 15 years with Dun & Bradstreet the last four in St. Louis as regional sales manager over a 17-state territory. He was manager of the Topeka office in 1941. He served 2½ years with the air force.

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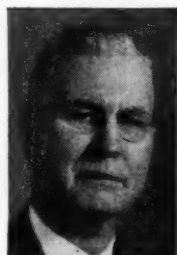
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DEATHS

WILLIAM WALSH, 67, for the past 2½ years in charge of the Minnesota field for all companies of National Fire group, died at Minneapolis. He had been in the Minnesota territory as company man and general agent since 1901.



William Walsh

Mr. Walsh started with Consolidated F. & M. at Albert Lea, Minn., as a clerk after leaving school, and he later became assistant secretary at Minneapolis. In 1913 he went with Twin City Fire as assistant secretary, and was secretary from 1921 to 1928. In the latter year he left to become president of the Walsh, Herberg, Larson general agency, which later became William Walsh Co., and had supervision in Minnesota for Transcontinental of the National group along with other companies.

MRS. GEORGE VAIL, SR., wife of the vice-president in charge of the loss department of Corroon & Reynolds, and the mother of George Vail, Jr., vice-president associated with the C. & R. loss department, died.

PETER A. SCHANBACHER, 70, engineer for the fire companies of America Fore, died at his summer home at Brewster, Mass. Mr. Schanbacher began his insurance career with New York Fire Insurance Rating Organization and moved to Boston in 1918 with New England Insurance Exchange before joining America Fore.

WALTER E. JOHNSTON, 74, secretary and treasurer of Smyth County Mutual Fire, died in an Abingdon, Va., hospital after a brief illness.

CHARLES N. YOUNG, 66, retired auditor and adjuster for Aetna Casualty at Seattle, died after an illness of three weeks. He had been with the company for three years.

Sanford, Atwell Named to Higher Mich. Dept. Posts

Promotions in the Michigan department, to adjust the organization following the retirement of Horace B. Corell as first deputy commissioner, have been made by David A. Forbes. L. H. Sanford, who has served 11 years as second deputy commissioner, was advanced to chief deputy while Richard W. Atwell, director of the casualty division, was named second deputy.

Mr. Sanford had been both second deputy and chief examiner since 1941 when he returned to the department after a two-year period in private employment. Before that, from 1937 to 1939, he had been second deputy and earlier, from 1928, had been a member of the examiner staff.

Mr. Atwell went to the department in 1943 to head the workmen's compensation rating division. He was named to head the casualty rating division in 1947.

Ore. Agents Add Speakers for Annual Convention

Oregon Assn. of Insurance Agents is perfecting plans for its annual convention at Portland Sept. 21-22. Several new speakers have been added to the program.

Edward H. O'Connor, managing director Insurance Economics Society, will talk on "State Compulsory Sickness Compensation." Other speakers include O. Shaw Johnson, president of N.A.I.A.; Fred H. Merrill, vice-president Fireman's Fund; F. W. Potter, field supervisor Aetna Casualty, and Frank C. Colridge, general manager Pacific Board.



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Nearly 200 Are Added to the C.P.C.U. Roster

186 Pass Examinations; Conferment to Be at Cleveland Sept. 8

The trustees of American Institute for Property & Liability Underwriters at the annual meeting at New York last week approved the examination credits of 186 candidates who have passed all five examinations required for the C.P.C.U. designation. Those who have also fulfilled the experience and other requirements will be awarded their diplomas at the national conferment Sept. 8 at Cleveland. Apparently, only about 12 of the 186 will not be able to fill the experience requirement before Sept. 8.

The trustees elected Harold C. Conick, U. S. manager of Royal, as president of the institute to succeed Charles E. Hodges, who has been president for two years. H. R. Kemper, president of Lumbermen's Mutual Casualty was elected to the board to succeed James S. Kemper, whose term had expired.

The number of persons completing all examinations shows a substantial increase over last year when 116 persons fulfilled the requirements and 106 were eligible to receive the designation.

Examination Statistics

Other examination statistics for 1950 also show a big increase in the institute's operation. Examinations were conducted this year at 112 locations in 41 states, the District of Columbia and Hawaii. In 1949 there were 97 examination centers in 39 states. This year there were 1,806 examinees, compared with 1,291 in 1949. The total number of separate written examinations increased from 2,194 in 1949 to 3,066 this year. New candidates total 1,075, while in 1949 there were 832.

The conferment will be made at the all-industry dinner of the C.P.C.U. meeting and the speaker at this affair will be W. Ellery Allyn, Connecticut commissioner and president of National Assn. of Insurance Commissioners. Following the Cleveland conferment, regional presentation meetings will be held by the various chapters and such meetings have already been planned for Detroit, Los Angeles, and New York.

Following is a list of the new designees, with their insurance identifications and their place of residence:

Abrahms, John B., partner, Max Blumenthal agency, Hartford; Achuff, Robert E., office manager and broker, Waber & Co., Philadelphia; Ammons, E. Marvin, partner, Ammons Insurance Agency, Houston; Anderson, Frederick I., special agent Standard Accident, San Francisco; Anderson, Robert C., partner, Waterfield & Co., Fort Wayne, Ind.; Arnold, William P., Jr., manager Boston office, Indemnity of North America.

Becker, Joseph E., manager casualty department, Riall Jackson Co., Baltimore; Bell, Albert H. Jr., Arthur L. Owen Co., Dallas; Blackburn, M. H., counterman Travelers, Los Angeles; Bleakly, John S., special agent U. S. F. & G., Raddonfield, N. J.; Boylston, John, general underwriter Bartholomay & Clarkson, Northfield, Ill.; Brady, William E. Jr., special agent and engineer Founders F. & M., Los Angeles; Brown,

AWAIT NAMING OF DAY

Hershey Confirms He Is Resigning Ill. Post Sept. 1

Harry B. Hershey confirms the fact that he is preparing to submit his resignation as insurance director of Illinois to Gov. Stevenson effective Sept. 1. Mr. Hershey has been the director since Jan. 17, 1949. He took the position reluctantly and with the idea that he would stay on only briefly until a permanent selection could be made. However, he remained in office longer than he originally intended to.

Mr. Hershey is a member of the law firm of Hershey & Bliss of Taylorville and his son is a member of that firm.

While official announcement has not been made, it is a certainty that Gov. Stevenson will appoint J. Edward Day as the new director. This was indicated when he was appointed as assistant insurance director just a few weeks ago. The position of assistant director is a code office and the appointment is that of the governor rather than of the insurance director. Mr. Day, whose age is 35, has been closely associated with Gov. Stevenson and has been a member of his staff since 1949. He practiced law at Chicago and is a graduate of Harvard law school.

Ross W., partner, A. C. Prendergast & Co., Dallas; Burg, M. L., state agent Phoenix of Hartford, Denver; Burke, Edwin C., fire state agent, Aetna Life Companies, Newark.

Campbell, William C., manager auto & casualty units, Mather & Co., Philadelphia; Carasik, Howard H., casualty special agent Ocean Accident, New York; Carmichael, Henry P., assistant manager analytical department standard Accident, Detroit; Carrico, E. Ewing, partner and manager, Carpenter & Burba, Louisville; Cary, Arthur, owner Cary Insurance Agency, Louisville; Cates, Willard, manager bond department Johnson & Higgins, New York; Caughron, Russell M., underwriter Aetna Casualty, Louisville; Chellberg, Alice M., assistant secretary American Mutual Alliance, Chicago; Clark, F. Garfield, special agent marine department, Aetna Life Companies, Newark; Cleaves, Ford B., supervisor of special risk department American Automobile, New York; Conlisk, A. Terrence, assistant secretary Picton-Cavanaugh Inc., Toledo; Cosgrove, J. Edwin, vice-president and secretary, Lowndes & Lowndes, Inc., Baltimore; Cowan, George T., manager personal accounts dept., Johnson & Higgins, New York; Crain, Jason, insurance consultant, Cleveland; Crallé, Joseph B. II, assistant secretary Davenport Insurance Corp., Richmond, Va.; Cramer, Elizabeth B., Picton-Cavanaugh Inc., Toledo; Cunningham, Garwood E., special agent Camden Fire, Quakertown, Pa.

Dawson, Robert S., partner Robert Dawson Agency, Pasadena, Cal.; Derickson, Jack F., underwriter New Amsterdam Casualty, Richmond, Va.; Devine, Frank W., instructor American Surety, New York; Dickman, Donald W., special agent American Surety, Scranton; Ditmars, Garrett S., special agent Insurance Company of North America, Kirkwood, Mo.; Drenth, John A., agent, San Francisco; Duke, Henry K., owner Henry K. Duke Insurance, Cumberland, Md.

Ellis, Thomas P. Jr., partner Ellis, Smith & Co., Dallas; Evans, Campbell K., agency owner Evans & Vaughn, Champaign, Ill.; Falconer, Robert D., vice-president and treasurer, Picton-

(CONTINUED ON PAGE 28)

Ready for Bar Group Insurance Rally Sept. 18

WASHINGTON—The American Bar Assn. convention here Sept. 17-20 will be marked by activities of its insurance law section including the following:

Sept. 18, luncheon meeting of officers, councilmen, committee chairmen; Sept. 19, breakfast, committee on life insurance law; meetings of round tables 1, 2, 3, and 4, 2 p. m. and round tables 5, 6, 7 and 8, 6:30 p. m., at the Mayflower; reception, 7:30 p. m.; general session insurance section 8:30 p. m.; Sept. 20, general session insurance section; annual dinner.

John F. Handy of Massachusetts Mutual Life is chairman of the section.

At the session the afternoon of Sept. 18 the address of welcome will be given by Oliver Gasch, assistant corporation counsel, department of insurance for the district of Columbia, and the response by Henry W. Nichols, of National Surety, the last retiring chairman of the section.

Administrative reports will be given by the secretary, Ralph H. Kastner of Chicago; membership, Howard L. Smith, Tulsa; publications, Harry W. Raymond, New York.

There will be an introduction of Edson L. Haines, chairman insurance section Canadian Bar Assn.

An address will be given by Roscoe Pound, dean of the school of law of University of California, and another on "The Courts and Comparative Negligence" by Justice Walter F. Schroeder of the Ontario supreme court.

Round Table Speakers

At the round table on automobile insurance law with James B. Donovan as chairman, papers will be given on "Conflicts of Laws in Automobile Insurance," by John Faude of Hartford; "Automobile Insurance for Municipalities" by John W. English, city solicitor of Erie; "Defense of Diplomatic Immunity," by Peter C. Brown, first assistant to U. S. attorney general.

At the round table on fire insurance law with Ambrose B. Kelly as chairman, there will be a panel discussion on legal liability for property damage featuring Hugh Harbison, Hartford; J. Mearl Sweitzer, Wausau; Edward Taylor, Hartford; Chase M. Smith, Chicago, and Mr. Kelly.

At the round table on health and accident insurance with Harlan S. Don Carlos as chairman, and compulsory non-occupational disability benefits with Leslie P. Hemry as chairman, the main subject is voluntary and compulsory non-occupational disability benefit plans, and Blue Cross and other non-profit plans will be treated by Louis H. Pink, chairman of Associated Hospital Service of New York; insurance company plans by Neville Pilling, U. S. manager of Zurich, and federal plans and proposals by a speaker to be announced.

At the round table on fidelity and surety insurance law with Alexander M. Heron as chairman, "Ultra Vires Aspects of Corporate Indemnity" will be treated by John J. Malley of New York, and "Impairment of Sureties' Right of Subrogation by Judicial Decision" by Louis L. Dent of Chicago.

At the round table on workmen's compensation and employers' liability insurance law with L. J. Carey as chairman, and casualty insurance law, with H. Beale Rollins, chairman, "Insurance Agreements, Conditions and Exclusions of Burglary Policies" will be handled by Wayne Van Orman of New York; "Elements in the Defense of an Occupational Disease Claim," speak-

(CONTINUED ON PAGE 29)

War Projects Rating Plan Is Being Studied

Model From Last War Is Believed Sound; Revisions Pondered

WASHINGTON — Some insurance representatives here fully expect the war projects rating plan, or some similar plan, will be put into effect in connection with government contract work, unless the Korean crisis clears up soon, and probably will be put into effect in any event, after enactment of the controls and defense program bills.

Casualty companies have a committee, headed by William Leslie, manager National Bureau of Casualty Underwriters, working on the problem. The World War II plan is reported the basis of this study, but the companies are reported desirous of getting the "bugs" out of the old plan, before something similar is proposed or imposed again.

Meanwhile, another matter being watched by insurance representatives is legislation for renegotiation of government contracts. Rep. Vinson, chairman House armed services committee, has introduced such a measure providing for renegotiating government contracts resulting from the defense crisis, and recapturing of so-called excessive profits.

This job would be done by a board composed of one representative each of the armed services, the general services administration and two other government officials representing other agencies affected by the defense program.

During the last war marine insurance contracts were not subject to renegotiation, and other government insurance contracts were said not to be technically. However, government liability insurance contracts and workmen's compensation contracts were written on what has been called a "retrospective basis." While, technically, not subject to renegotiation, on these contracts the government could look back and see what costs and losses were, with a view to adjustment.

Continental Casualty Has 6 Months' Gain

Continental Casualty in the first six months of 1950 had a net underwriting profit of \$1,871,594 and net investment income of \$1,328,664. After taxes, net income is \$2,025,258 as compared with \$1,790,666 for the same period in 1949.

Admitted assets as of June 30 were \$128,095,423, an increase of \$6,600,390. Surplus to policyholders was \$41,520,818, an increase of approximately \$1,600,000.

Net premiums written in the first six months totaled \$48,137,142, up about \$7 million and a new high for any six months' period. Premiums earned amounted to \$45,131,867 and the unearned premium reserve increased \$3,015,276.

Roy W. Smith, resident vice-president at San Francisco for Standard Accident, celebrated his 25th year with the company in July.

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Small Town Bank Loss Is \$186,000, Bond Is \$50,000

Another in what has become a series of embezzlements by small-town bankers came to light last week with the discovery of a shortage of approximately \$186,000 in the books of Wendell Dirst, cashier of the Farmers First National Bank of Minooka, Ill. Dirst killed himself the day after the examiners arrived at the bank.

The Farmers bank had deposits of \$1,400,000 and carried a bond in the amount of \$50,000 with Aetna Casualty. The agent is Hicks-Mattson of Joliet. The insurance and protective committee of American Bankers Assn. in its latest bond schedule suggests a \$50,000 bond as a minimum for a bank with \$1,400,000 in deposits and says that \$65,000 is "fair" coverage.

Minooka is a small farming community with a population of less than 500. It is about 18 miles southwest of Joliet.

Aetna Casualty was notified of the possibility of loss before it was uncovered. After the examiners arrived and Dirst committed suicide, the agency called Aetna Casualty and said that something in the way of a claim might be anticipated. At first, it was thought the amount would be about \$65,000, but newspapers reported Federal Deposit Insurance Corp. as having uncovered almost three times that. It is understood the bank will have to be taken over.

Where the Money Went

Dirst, it is reported, spent considerable money at the races and in gambling houses in communities nearby Minooka. He was considered to be a wealthy man and was treasurer of several local organizations. It is thought that he took about \$65,000 within the last few months, but the complete time range of his speculations is unknown.

This latest small-town bank loss throws the spotlight again on the poor experience recently under bankers' bonds. Illinois seems to have had its full share of these losses and Indiana, Ohio, Michigan and Wisconsin have adequately filled their quotas.

The situation is being met by some companies with drastic measures to the point where bank business is being turned down, while others are imposing very strict underwriting restrictions.

The complaint is frequently heard among underwriters that small-town banks are inadequately protected in many ways against fidelity losses.

Blast Is Levelled at Saskatchewan Government Cover

REGINA, SASK.—M. Holden, general manager of Wawanesa Ins. Co. has assailed the operations of the Saskatchewan Government Insurance Office and, at the same time, revealed why his company continues to handle certain types of automobile insurance in that province in the face of government competition.

Mr. Holden's criticism is contained in a field letter which has been sent to agents and reads, in part, as follows:

"The 11,600 motorists who have paid the compulsory premiums under the Saskatchewan automobile insurance act, but who persist in seeing virtue in freedom of choice, forfeit thereby their right to any recovery from the state fund until such time as the private policy is exhausted. In other words, the standard policy is 'primary' and the government coverage is 'excess.' The loss cost of the latter is a small fraction of the former.

Example Is Given

"For example: A public liability loss of \$4,000 sustained under the standard cover results in a saving of \$4,000 to the government insurance fund. This is a nugget of great value—to the Government Insurance Office. It is apparent that the 11,610 'obstinate' owners who, having paid the compulsory fee to the government and who proceed to pay a voluntary premium to a private company, thereby subsidize the state fund, thus keeping fees low for their less obstinate brethren. Ten dollar insurance as such, in Saskatchewan, would be impossible without this subsidization.

"If we could find someone who would pay part of our losses we, too, could take a sharp knife to the rate structure, anywhere. The same subsidization flows from those who buy standard collision, fire and theft insurance. The total subsidization cannot be found by multiplying \$10 (or any sum) by 11,610. The compulsory premium on some classes of vehicles runs into hundreds of dollars, and there are, in actuality, more than 15,000 motor vehicles insured with private companies.

"Often the question is asked of us, 'Why do you continue to issue standard automobile contracts in Saskatchewan?'

"The answer is that we cannot slam the door in the face of a friend who, though he be a hearty trencherman at our table, pays the hotel keeper for meals he does not eat. Nevertheless we appreciate his tenacity of spirit; we would be most ungrateful if we were to refuse him shelter.

"The hotel keeper, collecting for meals he does not serve, can slash his prices.

"If there is a good reason why our guests should be mulcted of more than the price of the soup under such circumstances we would like to see it given.

"Rate comparisons, when one rate is subsidized through the other, have an air of unreality. Thus does subsidization greatly reduce both the number of claims suffered by the state fund and the total amount paid thereon."

Offer Cover for Payment on Car When Disabled

Continental Casualty through the Joy & Davidson agency of Reno, has developed a policy guaranteeing payment on used cars in the event of total disability to the purchaser. The policy is now in effect with the Taylor Automobile Co. of Los Angeles, a large retail used car dealer.

Every purchaser of an automobile from the Taylor company is given a free policy without physical examination. The premium is paid by the Taylor organization.

Truman D. Vencill, vice-president of the Joy & Davidson agency, arranged the details of the policy.

Plan Frost Damage Carrier for Fruits

LOS ANGELES—Growers Management Corp. of San Francisco has applied to the department for authority to act as attorney-in-fact for the Growers Insurance Exchange of San Francisco, which, if and when organized, plans to write frost damage insurance on citrus fruits.

Growers Management seeks the right to collect premiums and surplus deposits and applications for insurance. Listed as heading the corporation are Arthur M. Brown of Edward Brown & Sons, E. P. Jones of E. M. Jones & Son, and Bert W. Levit, attorney. The corporation is to have 1,000 shares of stock of \$10 par value.

During the early '30s a group of stock carriers wrote frost damage for citrus fruits, with Allen T. Archer & Co. representing the pool. Two or three bad years' experience caused abandonment of the plan.

Security of New Haven has declared the regular quarterly dividend of 35 cents a share, payable Aug. 1 to stock of record July 21.

A thought for the day that you'll find will pay—

When clients decide that it's time for a trip
There's one thing you know that they'll pack.
And that is the cash—enough of that cash
For the gas that it takes to get back.

But clients are few who can carry the funds
—no matter how wealthy or witty
To pay for the damage and claims that arise
From a crash in a strange town or city.



The identification card which is issued with each Travelers Automobile policy is reliable assurance to your clients that the continent-wide claim service and resources of The Travelers will help speed them on their way in the event of an accident.

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experience in writing it and can give you complete information and tell you how to go about getting it.

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Pacific Mutual Hearings Start

LOS ANGELES—Commissioner Downey opened a hearing on the petition of Pacific Mutual Life Tuesday for approval of the plan of mutualization.

Appearing in opposition were the stockholders protective committee of the old Pacific Mutual Life, represented by Attorney Irving Walker and the non-cancelable policy holders committee represented by Paul E. Iverson.

Mr. Downey said the hearing was primarily for the purpose of determining the ownership of the company, he went into the history of the proceedings from 1936 to date and said "The insurance commissioner as liquidator of the old company still holds the beneficial interest in all of that stock. The stock to be purchased is the stock of the new company held by the commissioner as liquidator of the old company. No proposal has been made to purchase the stock of the old company. The plan of mutualization is not in any sense a proposal of financial reorganization. It is just a proposal to change the form of the company from a stock corporation to a nonstock corporation."

The greater part of the morning was taken up by counsel for the company introducing documentary evidence in the case. The only witness heard was Secretary-Treasurer Lyman P. Robertson who testified as to the issuance of the stock certificates in new company to insurance commissioners Carpenter, Caminetti, Garrison and Downey.

Anomalous Position

Counsel for the company read into the record the fact that Downey because of his anomalous position as liquidator and conservator of the old company, conservator of the new company and insurance commissioner appearing in the petition had not been asked to consent to the reorganization plan until he had heard and weighed all the evidence in the case.

At the afternoon session Mr. Robertson read a lengthy statement covering the history and background of the proceedings leading up to this hearing. He was cross questioned rather severely by Mr. Walker and on the latter's objection certain portions of the statement were stricken as conclusions of witness. Mr. Mitchell, chief counsel for the company, offered to supply the documentary evidence for that portion of the statement stricken.

Miss Nancy Devers, a policyholder, intervened in the proceedings and asked a number of questions as to the standing of policyholders if and when the plan is approved. She was referred to authorities of the company and the department for answers to her questions.

Joseph Chrisman, associate actuary of Metropolitan Life, testified that under the direction of the valuation committee he had made a study of the amount necessary for restoration of non-cancel policies and corroborated the figures given by Mr. Robertson in his statement.

Seeks Compulsory Auto Liability Law in N. C.

RALEIGH, N. C.—The taxi subcommittee of the governor's highway safety committee has recommended that every motorist in North Carolina be required to carry liability insurance. Present laws merely forbid a driver from continuing to drive if he does not meet the terms of an accident judgment by insurance or otherwise.

Taxis and other public vehicles carry insurance for their own protection, however, and the committee recommended that every motorist be required to carry insurance in order that taxi companies and passengers in their cabs would be similarly protected against other motorists who are not financially responsible.

The Stanton G. Brock agency at Loveland, O., has been sold to Gerold Skinkle.

Plan Intensive Campaign in Wash. UCD Referendum

Endeavoring to maintain the successful record established this year in connection with compulsory insurance legislation, on both national and state levels, A. & H. interests are now centering their attention on the referendum vote at the general election in November on the compensation disability law in the state of Washington, which was enacted by the 1949 legislature and "stayed" by more than 70,000 voters who signed the initiative petitions.

The Washington situation is one of especial interest, as it is the first time that the voters in any state have had a chance to express themselves in regard to such a measure. The proposition submitted declares that the people of Washington want the bill enacted by the legislature to become a law. In order to carry, it would have to receive a majority of all votes cast at the election, and not merely those voting on the proposition, so that all of those taking part in the election but not voting on it would be in effect, voting against it. That fact in itself would make it rather difficult for the proposition to carry and the CIO in Washington has come out in opposition to it, as it desires a monopolistic state fund.

Want Clear Cut Decision

Opponents of the measure, however would not be content to have it defeated in that way. They want to roll up a clear-cut majority against the proposition so as to establish a precedent which can be used in case a similar situation arises in other states. A statewide committee already has been set up and in the four weeks immediately preceding the election a tentative campaign to secure the largest possible vote against the proposition will be carried into even the smallest towns and hamlets of the state. In many previous referendum votes in Washington, the campaigning on the question at issue has been confined quite largely to the larger cities of the state and the vote, in some cases at least, has not been entirely representative of the sentiment of the state as a whole.

Hartford to Get 16-Story Hotel

The Statler hotel company has announced plans to build a 16-story 450-room hotel in Hartford to be known as the Hartford Statler. Construction of the \$5 million structure will begin next year and be completed by 1952. The cost will be financed by Travelers and Aetna Life.

Insurance and other visitors to the town have long been inconvenienced by the city's hotel shortage. The inability to find hotel accommodations in the town was felt first in the early war days and it never improved. This has handicapped persons calling on home offices there.

The hotel will be erected on a 43,000 square feet corner plot facing Bushnell Park with 280 feet of frontage on Ford Street and 120 feet on Pearl Street. The structure will be air conditioned, insulated and sound proofed.

Varga Leaves Department to Join N. J. Blue Cross

George J. Varga, actuary of the New Jersey department, has joined Hospital Service Plan of New Jersey, the Blue Cross, as actuary and assistant director. Mr. Varga, a graduate of the University of Michigan, started with the department in 1930 and later was with a life company in the actuarial department. After service in the war, he rejoined the department.

CHANGES

Travis to Agency Post for Mass. Bonding

Denard A. Travis has been appointed agency and brokerage department manager of Massachusetts Bonding, succeeding H. Sherwood Young, who has retired.

Mr. Travis is a graduate of Virginia Military Institute and of the business school of the University of Pennsylvania. Before joining Massachusetts Bonding, he was with U.S.F. & G. and Aetna Casualty.

E. A. Boerlin Joins State Auto of Iowa as V.-P.

E. A. Boerlin has been named vice-president of the fidelity and surety division of State Automobile of Des Moines. He succeeds W. N. Plymat, resigned.

Mr. Boerlin, a graduate of the University of Pittsburgh, has been in charge of underwriting for nine years for American Surety at Milwaukee. He was with the company for 24 years.

Named by American Cas.

American Casualty has appointed Wilson W. Leeman as field representative with headquarters at Milwaukee. Mr. Leeman studied insurance at the University of Wisconsin and has been in the insurance business for 14 years.

Promotes Strother in Va.

Standard Accident has moved its office at Richmond, Va., to larger quarters in the Planters Bank building. Henry S. Strother, who has been field representative, becomes manager. He is a graduate of Virginia Military Institute.

Merle W. Comer has been appointed claims representative. He has been with Standard Accident since 1934 in Minnesota and is a graduate of the University of Minnesota.

Hillas Promoted by Am. Mutual

Roland A. Hillas, Jr., sales representative at Hartford for American Mutual Liability, has been named regional sales manager for southwestern New England, with headquarters at Hartford.

Mr. Hillas joined the company in 1931 after graduating from Dartmouth College. He served in the navy during the last war.

Plan Fall Study Course

Topeka Insurers have completed organization arrangements for part II classes of the C.P.C.U. course for this fall. Washburn University and the extension department of the University of Kansas will be joint sponsors with weekly two-hour classes on Monday nights to start Oct. 2. Dr. Dale Marcoux of Washburn will act as coordinator. The class will be limited to 30 and will probably include several field men as well as agents from nearby towns. Information may be secured from George Staebler, Jr. secretary of Topeka Insurers, or Alpha H. Kenna, executive manager of the Kansas association.

Continue McBroom Hearing

LOS ANGELES—The hearing before U. S. district court in the voluntary bankruptcy proceedings in the case of L. L. McBroom, Los Angeles broker, has been continued until Aug. 30, to enable the parties to work out a rehabilitation plan.

McBroom brought back from South America \$15,000, which counsel argued was brought back under trust and that under the California insurance code the receiver could not touch it. In the meantime the amount was seized by one company to meet the obligations due it.

It is reported that the case may be settled on a 50 cents on the dollar

basis. Under the proposed rehabilitation plan McBroom will become a solicitor for the Paine-Paulin Co., which will supervise the business; 20% of gross commissions will go to creditors; 40% to Paine-Paulin Co. and 40% to McBroom. He has applied to the department for solicitor's license.

New Aetna Safety Booklets

Two new booklets outlining safety suggestions for motorists and bicyclists have been released by the public education department of Aetna Casualty.

A unique approach to highway safety,

the booklet "Famous Last Words," features ten cartoons drawn by John Fischetti, popular newspaper and magazine cartoonist. They demonstrate that the more apparent causes of accidents stem from improper mental attitudes that lead drivers to commit unsafe acts.

The second publication, "Fun on Wheels," is a comprehensive 20-page illustrated booklet outlining safe riding practices and recommended procedures for properly maintaining a bicycle.

The Robert S. Killebrew agency at Chattanooga has purchased the R. G. Brock agency of that city.

Minn. C.P.C.U. Elects Hood

Minnesota C.P.C.U. chapter has elected Rod V. Hood, Liscomb-Hood agency, Duluth, president; William Brandow, vice-president, and Joseph Brink, Thomas H. Linnell, Inc., secretary-treasurer. Parts 1 and 3 of the C.P.C.U. course will be offered evenings at the University of Minnesota beginning in September.

Liability insurance will be considered late in August by a sub-committee of the Minnesota governor's committee on employment for handicapped persons.



**If you are a U. S. F. & G. agent
YOU ARE THIS MAN!**

This advertisement, one of a series promoting good will for U.S.F. & G. Agents, appears in these magazines: NEWSWEEK • FORTUNE • U. S. NEWS TIME • BUSINESS WEEK • NATION'S BUSINESS and WALL STREET JOURNAL

Only this man can show you the GRAPHIC INSURANCE AUDIT

BUSINESSMEN all over the country have agreed—after seeing the GRAPHIC INSURANCE AUDIT—that for the first time they gained a complete picture of their insurance needs . . . could put their finger on overlapping coverages, and on gaps in their programs of insurance protection.

Only THIS MAN—your nearby U.S.F. & G.

Agent—can show you the GRAPHIC INSURANCE AUDIT. Call today and arrange for him to bring you a copy which can be patterned to your own insurance situation, personal, business or both.

There is no obligation. Why not call him now?

For claim service in emergency, call Western Union by number and ask for Operator 25 who has the name and address of your nearest U.S.F. & G. Agent.



United States Fidelity & Guaranty Company, Baltimore 3, Md.

Fidelity & Guaranty Insurance Corporation, Baltimore 3, Md.

Fidelity Insurance Company of Canada, Toronto

SALES IDEA OF THE MONTH



Tell the Whole Story

Liability losses paid by stock insurance companies have nearly doubled in the past 10 years. Furthermore, fraudulent claims are rising. The field is wide open for the sale of liability coverage.

Sales are easier, though, if you tell a prospect the whole story about liability insurance—point out that it will protect him against fraudulent claims as well as legitimate ones.

Even though a claim is groundless, a lawsuit will cost him time, trouble, worry, and expense—unless he has the competent investigation and legal defense provided so inexpensively in a liability policy.

Stress this protection and service. Strengthen your sales story with news clippings about liability cases. A Zurich-American field man will be glad to help you plan an effective liability campaign.



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NEWS OF THE CASUALTY COMPANIES

J. B. R. Smith New President of Selected Risks

J. B. R. Smith, general counsel for Selected Risks Indemnity of New Jersey, has been elected president, succeeding his brother Daniel L. B. Smith, founder of the companies and president until his death last May.

Jesse Roe, II, was advanced from first vice-president and secretary, to executive vice-president. Mr. Roe's executive duties will be shared by Frank P. Weiler, formerly assistant secretary in charge of underwriting and production. He was promoted to vice-president and secretary.

V. Lester Rue, assistant secretary in charge of the Trenton, N. J., branch, has been named a vice-president, and William A. Dolan, formerly New Jersey state senator, has been named general counsel. Mr. Dolan also is a director.

A plaque has been unveiled at the home office in honor of the late Daniel Smith.

U.S.F.&G. Chalks Up Six-Month Record

Net premiums of U.S.F.&G. for the first half of 1950 were \$53,191,772, the largest ever written in any similar period. Premiums for the first six months of last year were \$51,929,710. Premium reserve increased \$3,726,620, premiums earned being \$49,465,152, a rise of 7%.

Underwriting profit decreased 57% due largely to the increase in premium reserves and increase in losses incurred. But investment earnings were 24% greater. Surplus, including \$12 million paid in by stockholders in January, was \$60,612,314 compared with \$39,992,526 a year ago. Assets were \$185,289,557, as against \$153,708,783.

Employers Re Half Year

Premium volume of Employers Reinsurance for the six months was somewhat less than last year, owing to the discontinuance of reinsurance of some miscellaneous lines. Assets in-

creased from \$44,402,074 to \$45,630,884. Net investment income on the statutory basis was \$420,926, compared with \$401,865 a year earlier. Loss reserves increased \$920,000 and the voluntary special reserve (unassigned surplus) was \$2,463,771, compared with \$2,057,701 six months previous, making surplus to policyholders \$12,463,770, an increase of \$406,010.

Conyers to Head Pacific States Fire & Indemnity

The new Pacific States Fire & Indemnity which is being organized at Portland will be headed by Kit C. Conyers, Portland steamship executive. He was elected at a recent meeting of directors who also authorized John Hall, Portland attorney and former governor of Oregon, to complete negotiations with brokerage houses for financing the company.

Jacob Dobrin, formerly a Portland and Seattle insurance man, has been designated fiscal agent to arrange financing through the sale of stock. The company will begin operations as soon as \$1,000,000 in capital is raised, although the goal is \$2,000,000 capital and surplus.

Frank P. Hixon, prominent Oregon lumberman, has been elected vice-president. The company will write all lines except life.

New Amsterdam Casualty has increased its dividend to 75 cents a share payable Sept. 1 to stock of record Aug. 4. The company paid 70 cents last March. The 1950 total will then be \$1.45 per share compared with \$1.30.

Republic Casualty of Dallas has been licensed in California.

National Automobile Case Decision Upheld

LOS ANGELES—The decision of superior court Judge Fox in the National Automobile case, which was appealed from by Commissioner Downey, has been sustained in a ruling handed down by the district court of appeal, but the ruling modifies the decision in that it pointed out the superior court would have made things clearer if it had remanded the case back to the commissioner for his consideration.

The ruling states that the decision of Judge Fox does not terminate the order to show cause but would have made it clearer if the court had remanded the case back to the commissioner for his consideration as to proceedings, if any, in the light of the finding and judgment of the superior court. The appellate ruling also says: "When an administrative agency has not conducted a hearing properly, or has committed error of law, or if the evidence is insufficient to support the findings and it is still possible under the circumstances for the agency to exercise its discretion the court should remand the matter to the agency for further consideration."

It will be remembered that the then insurance commissioner, Maynard Garrison, as of March 21, 1945, issued his order to show cause why the certificate of authority of National Automobile & Casualty should not be cancelled, the issuance of the order being followed by hearings running from June 11 to Nov. 8, 1945, and the signing of an order of suspension of the certificate of authority by Mr. Garrison in April, 1946. Appeal by the company to the superior court ensued. The court sustained the appeal. Commissioner Downey, who had succeeded to the case, appealed to the higher court, whose ruling has just been made.

The Canton, Mo., Insurance Agency has been incorporated there to write all lines. It was authorized to issue 50,000 shares of \$1 par value stock. Incorporators were listed as P. W. Jennings, W. A. Hawkins and I. McDonald.

WOLVERINE INSURANCE COMPANY

Our Farm Liability Policy Is Tops!!
Let Us Tell You More About It—Then
"Sell Wolverine"

LANSING, MICHIGAN

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RATING BUREAU EXAMINED

Recommend More
Inland Marine Lines
Be Regulated

Recommendations that additional inland marine classes be regulated is contained in an examination of Transportation Insurance Rating Bureau made by the Illinois department.

This is the initial examination of the bureau and covers the period Oct. 29, 1947 to June 30, 1949. Transportation Rating Bureau is the mutual inland marine and aircraft hull rating organization and was formulated in 1947 from the predecessor organizations of Mutual Marine Conference and Mutual Aircraft Conference. William H. Rodda is secretary-treasurer. The headquarters are at Chicago.

Unregulated Ratio High

The report states that in respect to premium volume, the rated classes represent approximately 50% of the total inland marine business, with the remainder entirely unregulated. The bureau has taken jurisdiction over some additional classes during the past few years and it is evident that progress has been made toward more standardization and general class rating. However, the report adds, "there are many important premium producing classes which are not rated by the bureau. Notable among these are motor truck cargo insurance and bailees' customers' insurance for laundries and dry cleaners. It has been contended, it appears from public discussion of this subject, that the problem of rating such risks is too complex to be reduced to a schedule. However, schedules have been developed for rating the casualty portion of motor truck operation and it is assumed to be true that all underwriters who write a substantial amount of business in classes not rated by the bureau have their own methods of rating, or rating plans, and as such should be filed with the Illinois insurance department and such other states having similar rating laws. It would appear desirable for the bureau to establish rating plans or schedules for classes where there is a substantial volume of premium and a large number of risks, and, in this respect, much is yet to be accomplished."

The department also advised a further study of the minimum credit for deductibles on the personal property float-er. It was noted in the report that the

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automobile and surety
reinsurance**

**catastrophe
excess of loss
treaty and specific**

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fleets, motor cargo
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credit for deductible P.P.F. policies is made to apply to the entire premium for the policy, whereas the deductible is applicable to only a portion of the coverage. The deductible is not applicable to losses by fire, windstorm and several other hazards. It would seem more logical, the report states, for the deductible to apply to all coverages or for the credit for the deductible to apply only to those portions of the coverage to which the deductible is applicable.

As to minimum credits, the department said: "In addition to the percentage credit for the application of a deductible to the policy, there is also a minimum amount of credit for the addition of the deductible clause. The reason for this minimum credit is not entirely clear. From the underwriting viewpoint, it is understood that in some cases the percentage credit would be so small that a policyholder would not be attracted to the deductible form, whereas the underwriters believe that a deductible form should be made attractive in preference to the full coverage form. It would appear advisable that a further study be made of the minimum credit for the deductible to determine whether it is justified by the results, or whether the credit may be limited to a straight percentage of the premium."

Has 54 Members

Transportation Insurance Rating Bureau operates on a nationwide basis and has as its principal functional services rating, statistical compilation and loss prevention. As of June 30, there were 54 members and one subscriber.

The P.P.F. is the largest producer of premium for members and subscribers of the bureau. About 40% of the total inland marine premiums of member and subscriber companies are derived from this source.

Consolidated premium and loss statistical experience, as reflected in comparative schedules for 1946, 1947 and 1948, indicate certain rising loss ratios, particularly in connection with the P.P.F., the report states.

Underwriters Replacement
Installs Chicago Branch

Underwriters Replacement Bureau of Los Angeles has opened a Chicago branch in Room A-1046 Insurance Exchange building.

Ralph E. Barnard will be the manager. Underwriters Replacement Bureau replaces losses for the insurance companies through direct connections with manufacturers. The company employs experts in merchandising appraisal and in public relations, who deal direct with the public in effecting replacements. In its five years of existence, the organization has spread from Los Angeles to San Francisco, now to Chicago, and in the early fall to Dallas and to New York. Mr. Barnard is originally from Chicago where he graduated from the University of Chicago. He served in the air force, and then became an inland marine adjuster for National Surety in Los Angeles, where he specialized in gemology, and then joined Underwriters Replacement Bureau.



R. E. Barnard

National Surety Press Lunch

NEW YORK—National Surety was host at a luncheon here to members of the insurance press. Despite the vacation season there was an excellent crowd on hand to partake of the hospitality. Ellis H. Carson, president; Sherman Drake, agency superintendent; A. L. Carr, vice-president, and Joseph Gerhardt, director of advertising, were hosts. Mr. Carson spoke briefly and informally, as did the other National Surety executives on hand.

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Coverage	Limit	
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✓ 2. Outside Robbery	100.	
✓ 3. Kidnaping		
✓ 4. Burglary of Night Depository in Bank or Custodian's Residence	100.	
✓ 5. Safe Burglary	200.	
✓ 6. Stock Burglary	200.	
✓ 7. Damage to Premises by Burglary or Robbery	100.	
✓ 8. Fidelity	10,000 ea. person; 20,000 each accident	
✓ 9. Bodily Injury Liability —Premises and Operation of Customers' Cars Away from Premises	1,000 each accident, subject to \$50 Deductible each accident as respects Collision Damage to Customers' Cars	
✓ 10. Property Damage Liability —Premises and Operation of Customers' Cars Away from Premises including Collision Damage to Customers' Cars		

Chances are, if all these essential coverages are not in one combination policy, the insurance is costing the service station owner more than he needs to pay.

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Note: This policy is not written in the States of Louisiana, Massachusetts, North Carolina, South Carolina, Texas or Virginia, or in Cook County, Illinois.

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Six Months' Traffic Deaths Up 11%

Traffic deaths in the first six months of 1950 are running 11% more than the same period of 1949, according to National Safety Council. At the present rate, the council estimates that 35,000 people or more will be killed in traffic accidents this year.

Deaths in the first six months totaled 15,080 and for June alone the total was 2,610, a 10% increase over the corresponding month last year.

The principal reason for the increase is more travel without a compensating improvement in driving habits and traffic control. The council stated that mileage estimated by gasoline consumption for five months was up 11%, the same as the death increase. Consequently, the mileage death rate (deaths per 100 million miles) remains the same as in 1949, 6.9.

Getchell to Head New Fire, Inland Marine Units of Peerless Casualty

Barrett G. Getchell has joined Peerless Casualty as vice-president in charge of the fire and inland marine departments, which are now being organized. It is anticipated that the facilities will be available about Sept. 1.

Mr. Getchell, a graduate of Colby College, started with Employers Fire in 1927. When the company entered the marine business in 1930 he took charge of that class in addition to his fire duties, and in 1927 was made manager of the fire and marine departments. He served in the navy for two years as Lt. commander during the war, and after returning rejoined Employers Fire as field representative.

TV Firm Failure May Bring Insurance Loss

NEW YORK — Capital Television Corp. of Jackson Heights, L. I., which got into financial difficulties and is now involved in reorganization, carried a television insurance policy with Massachusetts Bonding. The insurer developed the coverage after the New York department last year ruled, on the basis of an attorney general's opinion, that wherever television service contracts included replacement of parts, they constituted insurance, and the firm had to supply a bond or insurance to guarantee the fulfillment of the service contracts. These contracts are the customary type that call for payment of certain sums in advance for subsequent service and replacement of parts.

The former head of Capital Television, Hyman Goldberg, was held in \$500 bail in Flushing magistrate court on charges of issuing worthless checks to workers and withholding some \$5,000 in wages from 105 employees. He resigned as president a few days ago, and a petition has been approved in federal court for reorganization of the company under the bankruptcy laws. It is estimated 100 suits are pending in small claims courts on complaints the company failed to live up to its service agreements.

James T. Healy Honored

James T. Healy, Houghton, Mich., has been honored by Continental of the America Fore group for 50 years' representation. He was presented a scroll by Charles Cook, special agent, and a letter from President Frank A. Christensen of America Fore.

In addition to his agency business, Mr. Healy, from 1921 was special agent in northern Michigan for Springfield F. & M. Last year he was appointed state agent and his son, John D. Healy, was named special agent.

Assn. Cancels Institute

Arkansas Assn. of Insurance Agents has cancelled its Insurance Institute for

Advanced Agency Management which was scheduled to be held at the University of Arkansas, 7-9. It was felt that the small enrollment thus far received would not justify holding the institute.

Okla. A. & M. to Offer Property Insurance Course

Oklahoma A. & M. College at Stillwater this fall will open a complete major course in property insurance.

Oklahoma Assn. of Insurance Agents and the stock fire companies are co-operating in order to keep the course up to date. They plan to provide extra lectures and supplementary study material and will assist in the placement of graduates.

Oklahoma A. & M. also has a technical school in fire protection.

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W. Va. Schedules Inquiry Into Casualty Rating Plans

The West Virginia department has scheduled a conference to discuss casualty rating plans for Sept. 5 at Charleston. All casualty rating bureaus and independent filers have been invited to attend and it is expected that representatives of agents groups will participate.

Commissioner Crichton stated that conference will be in the nature of a "seminar" so that the department might acquire a more thorough understanding of the problems involved in casualty rating, particularly those rating plans which allow for debit and credit factors. The West Virginia department has operated under a casualty rating law only since July, 1949.

Special invitations have been sent to the departments within Zone 2 of National Assn. of Insurance Commissioners.

Want Questions Answered

The conference is to be conducted on the basis of finding answers to such questions as:

1. Should insurers have the option of applying or not applying experience and retrospective plans?
2. Was not retrospective rating first applied to workmen's compensation risks? What is the analogy between W. C. and other liability lines that induce the extended usage?
3. What are the considerations in determining eligibility minimums for experience and retrospective rating?
4. Has credibility in any casualty insurance statistics been ascertained with actuarial certainty?
5. What are the considerations in choosing the applicable basis of credibility?
6. Presuming credibility factors and maximum single losses are derived from sound actuarial considerations, could one and only one set of factors and table of maximum single loss be substantiated?
7. If full credibility can be ascertained with reasonable accuracy, what is the accuracy of the factor tables used in computing the degrees of credibility?
8. What the accepted bases for measuring credibility?
9. Which is the better basis for measurement of credibility, premium size or number of losses?
10. Are the tables of maximum single loss developed from statistics to which is applied accepted actuarial principles?
11. If eligibility minimums are different in experience and retrospective plans applicable to the same risk, what accounts for the difference?
12. What justifies deviations from rates and premiums developed from retrospective rating? (Page 2 rules of procedure—Plan D).
13. Should there be any limit of the difference in premiums for a single risk as developed by a number of carriers under experience and schedule rating? What would be the explanation if the lowest premium were only 50% of the highest premium?

New Wis. W. C. Booklet

As a result of important amendments to the workmen's compensation law of Wisconsin, a revised workmen's compensation law pamphlet for that state has been prepared by Assn. of Casualty & Surety Companies. Copies can be obtained from the association offices, 60 John street, New York, at \$1 a copy.

Upholds Responsibility Law

LOUISVILLE, Ky.—The law providing that motorists must show financial responsibility to operate motor vehicles in Kentucky was upheld by Judge Speckman here.

Suit had been brought contending the law was arbitrarily and unreasonable. The law provides that no one must carry insurance, or post bond, but following any accident they must make good to the injured or damaged person, or be subject to license suspension.

The law makes it virtually impossible for any one to drive a motor vehicle with a pending damage claim or judgment against him.

Discuss Teen-Age Driving

JEFFERSON CITY, Mo.—Plans for an educational campaign to obtain better automobile accident ratios for teenage drivers of Missouri were discussed with Governor Smith and Superintendent Leggett here by a special committee of the Insurance Board of St. Louis. Contemplated regulations that would allow special credit under automobile policies applying to cars driven by teen-agers who passed accredited automobile drivers educational courses were considered.

The committee took up the question of having Hubert Wheeler, state superintendent of education, arrange for a uniform course of education for drivers that would provide the minimum standard to be followed by schools that wish to have their driver courses accredited.

William E. Booth, secretary Cherokee Fire of Nashville, addressed the Lions Club of Owensboro, Ky., on the "Hidden Values of Capital Stock Insurance."

Outlines Insurance Needs of Newspapers

James A. Clark, Marsh & McLennan, San Francisco, outlined an insurance program for the newspaper business at the recent western conference of the Institute of Newspaper Controllers and Finance Officers.

He particularly stressed the need of adequate loss and accident protection. "It is not infrequent," he said, "that an insurance policy is all that stands between solvency and bankruptcy."

Mr. Clark touched on workman's compensation, particularly in regard to the employees of newspapers who are sent out of the state and out of the country on assignments and other duties. As the compensation laws differ in each of the 48 states the writing of this coverage requires careful studying.

Mr. Clark described the advantage and simplicity of a comprehensive general liability policy which brings most exposures under a single contract and at the same time affords a broader coverage. An important point to remember, he stated, is to write all liability coverage in the same company. In the event a borderline case develops and a controversy arises as to which com-

pany will assume responsibility, there will be no problem.

Although dishonesty losses are not often thought of in relation to newspapers they are still a threat to any business. Slanting his views particularly from the newspaper angle, Mr. Clark outlined the various coverages available for this type of exposure, taking all the perils and risks common to that business into consideration.

Stressing the need for business interruption and extra expense insurance, he explained the situations in which each applied and recommended the combination policy for those who wanted both coverages.

Warning of the dangers in storing newsprint, Mr. Clark stated that an average roll weighing 1500 lbs. will absorb about 240 gallons of water. This adds greater weight to floors in storage rooms and may expand excessively causing walls to push out.

Form Lebanon, Mo., Board

A local board of agents has been organized at Lebanon, Mo. Temporary officers are T. Victor Jefferies, president, and Jerome J. Minkler, secretary.

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Gillam, Joseph G., district agency supervisor Lumbermens Mutual Casualty, Camp Hill, Pa.; Gleason, Jay W., resi-

dent assistant secretary, U. S. Guarantee, Pittsburgh; Gorton, William D., partner Calder, Gorton & Co., Cleveland; Guess, George J. J., underwriter Home, New York; Gunther, Herbert P., special agent St. Paul F. & M., New York; Harger, Kenneth H., partner A. Earl Harger Agency, Bowling Green, O.; Harrop, Allan, manager Ernest W. Brown Inc., New York; Hawley, E. Kenwood, field representative Aetna Casualty, Southport, Conn.; Heidrick, Robert C., owner Heidrick Insurance Agency, Austin; Hickey, Andrew J., casualty underwriter Liberty Mutual, Newark.

Horton, Benjamin C., owner and general manager Horton & Co., adjusters, Louisville; Howard, Frank J., analyst

Ernest W. Brown Inc., Brooklyn; Howard, George M., underwriter Godchaux & Mayer Ltd., New Orleans; Hunter, W. Hugh III, special agent America Fore, Dallas; Hurlburt, G. Gordon, owner Ralph E. Hurlburt Co., San Diego; Hutton, John E., special representative home office administration re- partment Farmers Insurance group, Los Angeles; Hval, Thor M., field representative Travelers Oakland, Cal.

Johnson, Edgar R., manager Insurance Company of North America, Hartford; Johnson, Joseph E., underwriter Indemnity of North America, New York; Jones, William F., casualty underwriter Poor, Bowen, Bartlett & Kennedy, Baltimore; Kahrhoff, Charles A. Jr., partner George Cowton Insurance Agency, Grand Island, Nebr.; Kelley, John W., assistant vice-president Mather & Co., Philadelphia; Kelly, Emmett E., surety department, Indemnity of North America, New York; Kelly, Jack B. Jr., adjuster W. L. Dickens, Memphis; Kelly, Richard T., Houston manager American Indemnity Houston.

Kerr, W. Rex, president Wilson-Creech Agency, Denver; Knoop, Edward C., Jr., state agent Pacific National Fire, Columbus; Knowles, Edward A., producer Davis, Dorland & Co., New York; Krapu, E. N., underwriter Casualty Underwriters Inc., St. Paul; Krell, James R., claim manager American Surety, Memphis; Leach, Fred T., manager Atlantic Mutual, Detroit; Leddy, John J., director of education American Insurance Group, North Arlington, N. J.; Lederer, Sanford H., partner Prince & Lederer, Chicago.

Lilley, George L., associate Lloyd Miller Agency, Chicago; Lindow, Donald A., assistant secretary Michigan Mutual Liability, Detroit; MacDonald, Charles N., assistant cashier Travelers, Denver; Mack, Edward E., Jr., partner Mack & Parker, Chicago; Mahoney, M. Kenneth, partner Maxson-Mahoney-Turner, Dallas; Marcum, Joseph L., underwriter & director, Ohio Casualty, Hamilton, O.; Mayer, Fred H., special agent Corroon & Reynolds, Los Angeles; McBirney, Bruce H. Jr., manager Fidelity & Deposit, Los Angeles; McCaffrey, Lawrence C., owner McCaffrey Agency, Hicksville, N. Y.

McCandless, Hermon R. Jr., insurance solicitor John M. Hefner Agency, Dallas; McClelland, Roswell B., special representative Oil Association, Dallas; McDonald, O. V., underwriter Employers Casualty, Dallas; McElveen, William T., account executive Wineman Brothers, Chicago; McKee, Irene D., underwriter Wellington F. Roemer Insurance, Toledo; McKnight, William G., assistant manager Fire Association, Chicago; Middlekauff, M. Paul Jr., underwriter Michigan Mutual Liability, Detroit; Mintz, Walter B., partner Mintz & Co., Kearny, N. J.; Moore, Robert L., broker W. A. Alexander & Co., Chicago.

Morgenthaler, R. E., state agent Union Mutual Fire, Kansas City, Mo.; Morse, Douglas D., divisional correspondent specialist Hardware Mutuals, Stevens Point, Wis.; Mueller, Armin J., Wayne county manager, Phoenix-Connecticut Group, Detroit; Murray, Edward D., owner Edward D. Murray Agency, Long Beach, Cal.; Nash Orrin F., vice-president Chicago Insurance Agency, Chicago; Nees, John O., service representative American Mutual Liability, New York; Nichols, Charles F., owner Nichols Adjustment Service, San Antonio; Otto, Ingolf H. E., staff adjuster Royal-Liverpool Group, Washington, D. C.; Pabody, Frederic J., vice-president Harry L. Davis Co., Cleveland; Parker, John M. Jr., special agent Fire Association, East Orange, N. J.; Parry, Ellis R., rating supervisor American Surety, New York.

Phelan, John D., vice-president, American States, Indianapolis; Picton, Dean C., agent Picton-Cavanaugh, Inc., Toledo; Price, Andrew M., analyst Industrial Indemnity Co., Berkeley, Cal.; Prunyn, Theodore M., agent M. K. Prunyn agency, Indianapolis; Raab, Frank E.,

special agent Insurance Company of North America, Spokane; Rapaport, Morris H., solicitor J. I. Kislak Agency, Jersey City; Rathbun, Charles R., special agent American Ins. Co., Los Angeles; Reichle, Louis W., superintendent Detroit office American Surety, Detroit; Rhody, Elmer J., treasurer Louis Gordon & Co., Baltimore; Rinehimer, Robert C., partner J. S. Rinehimer & Son, Kingston, Pa.

Ripley, Ebed L. II, assistant secretary Liberty Mutual Fire, Boston; Rodda, William H., secretary-treasurer Transportation Insurance Rating Bureau, Evanston, Ill.; Ross, Rufus C. Jr., partner Ross Insurance Agency, Mt. Pleasant, Tenn.; Rowe, Wilson M., instructor Insurance Company of North America, Philadelphia; Rublee, Robert M., assistant secretary Buffalo Fire Office, Buffalo; Saine, C. Price, assistant manager at Memphis, American Surety, Memphis; Saul, Richard A., treasurer and insurance manager, Howell & Jones Inc., Kingston, Pa.

Scanlon, John P., branch manager Ohio Casualty, Indianapolis; Schlesinger, A. L. Jr., manager Latter & Blum Inc., New Orleans; Schultz, Leslie P., manager Farmers Mutual Automobile, Madison, Wis.; Schwab, Frederick A., special agent Fire Association, Los Angeles; Schwarz, Louis K., Jr., insurance broker Insurance Company of North America, Newark; Seitz, William F., agency director General Insurance Corp., Fort Worth; Shipman, Olive I., insurance buyer Prince Lauten Corp., New York; Smith, Charles J., owner Allied Insurance Agency, Des Moines; Smith, Donald S., vice-president Alexander H. Sibbey Co., Detroit; Smith, Hugh D., statistical supervisor Fireman's Fund, San Francisco.

Smyth, Earl E., president Bohd Insurance Agency, Los Angeles; Sohl, Gerald T., supervisor liability underwriting Employers Mutual Casualty, Los Angeles; Spencer, Russell B., chief underwriter, planet Ins. Co., San Francisco; Stack, Frank L., assistant city sales manager Liberty Mutual, Chicago; Stapp, Sterling J., secretary and director D. K. MacDonald & Co., Bellevue, Wash.; Steele, W. W. Jr., owner W. W. Steele Jr. Agency, Canton O.; Stern, Arthur H., partner Robert Stern Insurance Agency, Dallas; Stevens, Wilbur A., claim manager and attorney Hartford Accident, Newark; Stewart, Richard S., assistant examiner Phoenix Ins. Co., Hartford; Stoll, Charles C., assistant superintendent audit department Zurich, New York; Stout, Edward F., assistant to manager of Insurance department, General Petroleum Corp., Los Angeles.

Sunderland, Paul U. Jr., business extension dept., Hartford Accident, Hartford; Sweeney, Gertrude M., supervising underwriter Fireman's Ins. Co., Hartford; Taylor, W. Eugene, Insurance Company of North America, Philadelphia; Temple, Douglas M., special agent Commercial Union, Richmond, Cal.; Terry, James A., special agent National of Hartford Group, Oklahoma City; Thomas, Charles P., director of sales training, Liberty Mutual, Boston; Tiffany, Norman S., manager Yost Insurance Agency, Cleveland; Tilford, Paul P., service manager Liberty Mutual, Kansas City; Topkis, Abe W., president and treasurer A. W. Topkis & Co., Camden, N. J.

Tripple, Herbert S. Jr., special agent Camden Fire, Camden; Ulseth, George W., attorney and partner, Ulseth Insurance Agency, Grand Forks, N. D.; Walker, John B., assistant manager survey department Fidelity & Casualty, New York; Walker, Malvin G., bonding department Indemnity of North America, New York; Walt, Herbert R., owner manager Herbert R. Walt Insurance Agency, Lincoln, Nebr.; Way, Pennington H. Jr., special agent American Ins., Philadelphia; Weeks, Warren L., field manager Century Indemnity, Columbus; Wendorff, Roland J., attor-

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XUM

Hayden Resigns as Cal. Secretary

W. F. Williams has been named interim executive secretary of California Assn. of Insurance Agents. He succeeds E. E. Hayden, whose resignation is effective Sept. 1. Mr. Hayden has not yet announced his plans for the future.

Mr. Williams joined the California association in 1946 as assistant executive secretary. He was named director of public relations last January. His principal duties have been publication of the California Agency Bulletin and as secretary of the public relations committee and of the legislative committee.

Mr. Hayden succeeded Frank C. Colridge as executive secretary in 1945.



E. E. Hayden

Arthur W. Ruff, for 14 years a local agent at Riverdale, Ill., has incorporated

his office as the Arthur W. Ruff Agency and opened improved modern quarters at 14310 South Parnell avenue. He has taken on as a partner Wilburn Bonnell, Jr.

N. J. Assn. Courses

The school of insurance conducted by the New Jersey Assn. of Insurance Agents will start two new semesters, one in Newark in the Raymond Commerce building beginning Jan. 26 and continuing Monday and Thursday evenings, 6:30 to 9:30, and the other at Morristown high school starting Feb. 2 and continuing each Thursday night. The course covers all forms of property damage insurance and is designed to prepare the beginner for state examinations. The central office of the association at 24 Commerce street, Newark is handling inquiries.

Postpone Shipping Hearing

NEW YORK—The hearing on the move by the Shipping Assn. to get a return of what they claim is an overcharge on workmen's compensation premiums paid on dock workers, which is in process at the New York department, has been postponed to Sept. 7.

American Fidelity has been licensed in Washington.

Central Surety Premiums Off for First Six Months

Net profits of Central Surety in the first half of 1950 were smaller than a year ago and decreases in assets and reserves were reported for the six months. Net earnings were \$195,570, equal to \$1.95 a share, compared with \$271,252, or \$2.71, a year earlier. Based on the increase in premium reserve of \$89,881 for the six months the indicated profits were \$285,451, or \$2.85 a share, compared with \$436,857, or \$4.37 a share, in the like 1949 period.

Net premiums written, exclusive of special accounts, totaled \$5,401,630, compared with \$5,558,924 a year ago.

Admitted assets June 30 were \$19,077,839, a decrease of \$307,880 from Dec. 31, 1949. Unearned premium reserves of \$5,560,534 were up \$233,995 for the six months. Surplus was \$3,416,427, up \$18,826 for the six months.

Sues for Expiration Rights

RICHMOND, Va.—V. L. Phillips & Co. agency has sued in federal district court here Pennsylvania Threshermen and Farmers Mutual Casualty, alleging denial of property rights in expirations. The agency claimed the right to renew the policies with other companies represented by it, or to transfer the policies to other companies.

Plans \$100,000 Capital Hike

West American of Los Angeles has applied to the department for a permit to issue 10,000 shares of its \$10 par value capital stock as a stock dividend to its share holders on the basis of one new share to each six now held. The issue if authorized, will increase the outstanding capital to \$700,000, there now being \$600,000 of the authorized \$1,000,000 outstanding.

La. "Comp" Rates Down

The Louisiana Casualty & Surety Rating Commission has authorized a reduction in compensation rates effective Aug. 1. The overall effect amounts to a decrease of approximately 13.2%.

Also rate reductions are promulgated in automobile, fire, theft and comprehensive for private passenger and commercial units Private passenger rates in New Orleans are not affected.

Opens Hutchinson Office

Hartford Accident has established a production and claim office at Hutchinson, Kan., with Paul Klein in charge of production and John Goss of the claim department. Offices are in the Hoke Building.

Report Sharp Gain

Hartford Steam Boiler reports a sharp gain in premiums written and a substantial increase in premiums earned during the first six months of 1950.

President Lyman Brainerd's midyear report to stockholders says premiums written in the first half totaled \$7,302,925, up 33% from \$5,460,059 in 1949. Premiums earned this year were \$6,039,559, up 5% from last year's \$5,717,304.

Mich. Agents Hold Outings

Several local boards of Michigan Assn. of Insurance Agents have been holding their midsummer outings.

Waldo O. Hildebrand, state association secretary-manager, addressed two such gatherings, one at Saginaw and the other—literally—in Hell. (Hell, Michigan, is a hamlet whose name naturally attracts facetious comment and wide publicity. It is in Washtenaw county and is the annual locale of the outing held by the Dearborn association.)

The Saginaw outing, attended by some 200 agents and numerous company field men, included golf during the afternoon with many prizes awarded and a cocktail hour and dinner. Mr. Hil-

debrand discussed association affairs, including the coming year's educational program and the new reference manual soon to be issued. He revealed that the new manual is to include a glossary of words, terms and phrases, making it especially valuable to newcomers in the business.

The Dearborn affair was attended by about 175. Golf was followed by boating on Portage lake and an outdoor dinner.

Wis. Driver Education Pays Off

Driver education in Wisconsin high schools is beginning to pay off. There were 73 less fatalities in 1949 than in 1948 on state highways and the teen-age driving group was largely responsible for the reduction. There was 69 fewer fatalities among this group (15-24). All other age groups accounted for only four less traffic fatalities than the year previous.

Increase B.I. and P.D. Rates in Louisiana

National Bureau of Casualty Underwriters has revised automobile liability rates in Louisiana. Private passenger car rates are increased 4.3% for bodily injury and 3.7% for property damage liability. Commercial car rates are reduced 2.8% for bodily injury and 8.1% for property damage liability.

Cincinnati Bank Loss

CINCINNATI — American Surety and Hartford A. & I. are reported to be primary co-sureties on the Fifth Third Union Trust Co. of Cincinnati whose Corryville branch was held up and robbed. Three men seized \$35,000 and locked up the employees and 10 customers in the basement before fleeing.

A form #24 bankers blanket bond is said to adequately cover the loss. London Lloyds has the excess cover.

Has Hospital Deductible

American Hospital Life is now offering hospital and surgery benefits with a \$50 deductible clause and a modification which is more flexible on the franchise and group coverage.

New Conference Members

American Fidelity of Fort Worth and Mutual Savings Life of St. Louis have joined H. & A. Underwriters Conference, bringing the membership to 156.

To Become Local Agent

Russell C. Edgerton has resigned as production manager for Providence Washington at Los Angeles and will enter the local agency business there, headquartering with Osterloh & Dunham.

Reelect All Officers

All officers of Emporia (Kan.) Insurers, including Charles Lawrence, president; Gerald Stafford, vice-president; J. A. McClure, honorary vice-president, and Calvin H. Lambert, secretary, were reelected.

FREDERICK WESSELS, 72, president of Atlantic Mutual Fire of Savannah, died at his summer home at Hendersonville, N. C.

Walter L. Hays, president of American Fire & Casualty, will be the principal speaker at the summer commencement of John B. Stetson University at De Land, Fla.

Sam G. Lamping, former manager at Seattle for General of Seattle and now a local agent there, is a candidate for the Washington legislature.

Rowse Wichita Speaker

Walter W. Rowse, recently named Wichita manager and Kansas regional supervisor of Western Adjustment,

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spoke at a meeting of the Wichita Assn. of Insurance Agents.

Mr. Rowse pointed out the enormous increase in claims annually since adoption of the extended coverage endorsement in the middle west and the establishment of storm supervisors to facilitate the handling of wind and hail claims when large storms occur. Such an office under the direction of a storm supervisor is now handling several thousand claims at Manhattan resulting from the July 2 storm there. The new "guiding principle" adopted by fire and casualty companies in handling plate glass losses was also explained.

Mass. Brokers in Mail Vote on New Secretary, Dues Hike

BOSTON—Insurance Brokers Assn. of Massachusetts is pooling its members by mail on the proposal to increase annual dues to \$10, with the prospect of employing a full-time secretary. President H. A. Reardon explained in the letter accompanying the ballot that attendance at the recent special meeting to consider this change had fallen slightly short of the 10% necessary to constitute a forum. Those present were unanimously for the change and they reported that the sentiment of other members was overwhelmingly the same, so it was decided to avoid another special meeting if possible. If the mail ballot is overwhelmingly favorable, members will be billed at the new rate on Sept. 1 and the change submitted for retroactive ratification at the annual meeting in October. Otherwise, Mr. Reardon said, another special meeting will be called.

Kentucky Inspection Bureau has advised Mayor J. H. Meredith of **Corbin, Ky.**, that the city will have to provide more adequate equipment for its fire department or insurance rates will be increased.

Pictures Show Damage from Lima Tornado



The above pictures, taken by J. J. Ferguson, western manager of Farmers Fire of York, shortly after a tornado swept Lima, O., July 19, show vividly

the damage caused by the 10-minute blow. Roofs and walls were torn completely off of buildings, and in the lower left-hand corner an entire house

can be seen to have been shifted. The total insurance loss at Lima is estimated at \$1 million resulting from about 900 claims.

Siler Talks at Bureau Meet

A talk on "Alfalfa Processing" was made by C. F. Siler, superintendent of the Toledo office of the Ohio Inspection Bureau, at the annual meeting at Columbus of District Office Superintendents of the Ohio and West Virginia Inspection Bureaus. Mr. Siler outlined the methods of alfalfa processing and pointed out the fire, windstorm and bus-

iness interruption hazards. He said that serious fire losses have occurred in alfalfa meal warehouses, and that the leaders in this industry are becoming increasingly conscious of the need for fire safety precautions.

Chester D. Forshee, Seattle local agent, has resigned as a representative in the Washington legislature. The King county commissioners have ap-

pointed another local agent, Dwight S. Hawley, as Mr. Forshee's successor. Mr. Hawley will be a candidate for the office in the fall election.

George Parsons, graduate of the school of journalism of University of Minnesota, has been appointed assistant advertising manager of North American Life & Casualty.



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Broadened E.C. Policy Discussed

(CONTINUED FROM PAGE 2)

make the broader form harder to sell.

At present the views of the fire business lean to the development of an endorsement which would include as many named perils as can consistently and generally be offered at a reasonable price and at the same time get the form to the public in a way that does not confuse the policyholder by having one type of extended coverage extended by another form of E.C.

Don't Want Confusion

One of the things that makes fire company executives and others nervous about the situation as it exists presently is the possibility of a number of different forms produced by individual companies, something that could be pretty confusing to the public.

Much progress has been made in reaching an agreement as to what should be included in the form that the business has in mind. It would include water damage, glass breakage, rupture of heating boilers, and vandalism and malicious mischief.

The inclination seems to be against inclusion of collapse, since this is already included in the windstorm portion and under explosion. Observers point out that there are not any other serious collapse hazards except from termites, or, in the coal mining regions, collapse as a result of underground workings. The form probably will not embrace the perils of flood and earthquake on the ground that those are catastrophes not measurable to the extent of successfully putting a premium value on them. The glass breakage would except wind and explosion. Vandalism and malicious mischief is not too great a hazard, but there is some call for it. Certainly the need for it has increased somewhat in recent years, particularly in populous centers.

By including water damage, glass breakage, the bursting of heating boilers and pipes, the form would overlap coverages offered by casualty in specific policies. Including these perils in extended coverage constitutes a multiple line approach and is not an innovation in insurance.

Probably Extend to Commercial

Once the broadened form is introduced, it is undoubtedly proper to assume that history would repeat itself and that it would be only a question of time before the broader coverage would be used on mercantile and manufacturing risks.

Though it is recognized that broadening of the coverage must be accomplished promptly, many in the business believe it is better for the business to determine a well thought out course that follows the multiple line development in devising a new extended coverage endorsement, and that this should be for sale to all dwelling property owners. The problem is being studied throughout the business—by the Transportation Insurance Rating Bureau, National Bureau of Casualty Underwriters, inland marine underwriters (because of the possibility that the new form would include household furniture coverage now supplied by the personal property floater and other floaters), regional associations, agents, etc.

Commissioners, confronted by a number of independent filings in this area, lean somewhat toward a more widely applicable form and have been keenly interested in the suggestions coming out of the business that there be a wide review of the problem and a need to guard against haste and consequent inadequately prepared coverage. They are leaning to the slower and truer approach, apparently they want some-

thing of a broader nature. All voices should be heard and all views expressed—producers, companies, associations, rating bureaus, commissioners. The results should be nationwide and uniform. The business also seems disposed, rather than to follow the old established custom of giving limited cover at a higher rate and later extending the cover and reducing the rate, to give as much as possible in way of coverage at the lowest possible rate, at the outset.

N. C. Is Tightening Up on Temporary Licenses

RALEIGH, N. C. — Commissioner Cheek is tightening up on issuance of temporary agents' licenses. Starting Sept. 1, temporary licenses, good for 90 days, will be issued only to industrial life agents and in emergency or hardship cases.

This is done, Mr. Cheek said, to stop agents from securing a temporary license to sell life insurance and then branching out into hospitalization and A. & H. He said this has been altogether too prevalent in North Carolina.

To secure a temporary license after Sept. 1 an applicant must: (1) Be an agent appointed by an insurer issuing policies on the industrial plan, actually collecting and servicing an industrial debit; (2) be the personal representative of a deceased licensed agent, general agent or broker, or his surviving spouse or some other proper person; (3) be an employee, legal guardian or spouse of a licensed agent, general agent or broker becoming disabled because of sickness, insanity or injury.

N. M. Agents Meeting

The annual meeting of New Mexico Assn. of Insurance Agents is scheduled for Sept. 8-9 at the Hilton hotel, Albuquerque.

Wants Close Study of War Risk Bill

(CONTINUED FROM PAGE 1)

of states, with the cooperation of the secretary of commerce, or by any American company.

Senator O'Connor, Maryland, called attention to the emergency clause in policies under which cancellation would become effective in event of an emergency. Magnuson said the government has a large financial interest in many ships, which could be sunk suddenly. He asserted the war risk "would cost the government nothing," and funds would be deposited in the U. S. treasury.

Aiken was adamant. In World War II, he said, "we woke up and found that 500 ships had been sunk, and some of them had been insured for 65 times their actual value, and we lost hundreds of millions of dollars. It was a peculiar circumstance that it was the older ships that were sunk."

Demands Copy of Bill

"I think Congress would do well to scrutinize any bill which deals with insurance issued by the maritime commission."

"The maritime commission does not do it," interjected Magnuson.

"Or anybody else—" insisted Aiken—"any insurance plan."

He demanded opportunity to read the bill and amendments.

Magnuson returned with a statement that Aiken had been "misinformed about the facts as to what happened during World War II. The agency handling war-risk insurance during World War II, despite all the ships that were sunk, made a profit of \$127 million," he added.

"And some of the owners made several thousand percent profit," was Aiken's last word.



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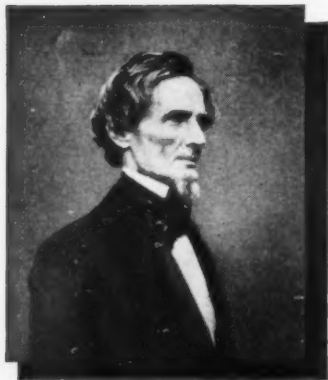
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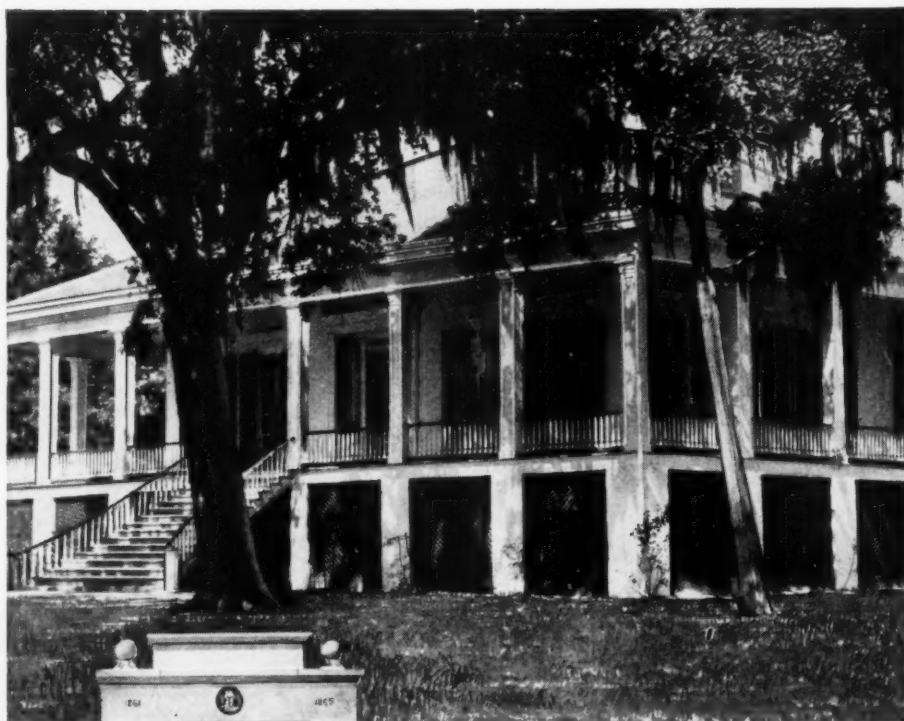
RETREAT TO SERENITY

"THE ORANGES are shining on the trees and our pine-knot fires soar in the chimneys; in their light I try to bury my unhappiness;" thus Jefferson Davis wrote of Beauvoir, the plantation near Biloxi where he spent the last twelve years of his life. His childhood too was spent in Mississippi for, though he was born in Kentucky in 1808, when he was still an infant his family moved to a plantation near Woodville.

While serving in the army after his graduation from West Point, Davis fell in love with Sarah Knox Taylor, daughter of a future President. Colonel Zachary Taylor opposed his suit, however, principally because he was unwilling to have his daughter marry a soldier and it is said that Davis challenged him to a duel but eventually the young couple were married. Resigning from the army, Davis took his bride to Mississippi but within three months she died of malarial fever.

Varina Howell who became Davis's second wife reported on first meeting him that she found him "refined and cultivated" in spite of being a Democrat but would never like him as well as his brother Joe. Nevertheless, their marriage was marked by deep and enduring devotion. At one time Davis, who frequently suffered from ill health, would have lost his sight had it not been for his wife's care.

During the Mexican War Davis re-entered the army and won the nation's homage for his heroism at the battle of Buena Vista where, though wounded, he continued to lead the attack. Within twelve months he became Congressman, colonel, brigadier general and Senator. Later, he served as



Memorial Arch at main entrance to Beauvoir

Secretary of War under President Pierce.

Davis was in the rose garden at Brierfield, his Mississippi plantation, when word came that he had been appointed President of the Confederate States. As he had aspired to command the Southern armies, he received the message so sadly that his wife feared it told of disaster.

Broken in health and spirit after the tragedy of war and his imprisonment in Fortress Monroe, Davis tried various occupations and for a time was head of an insurance company. At length he found sanctuary at Beauvoir which the owner, Mrs.

Sarah A. Dorsey, generously put at his disposal, and here Davis devoted himself to writing. Of his six children all four sons died before Davis passed away in 1889.

Built soon after 1855, Beauvoir is now maintained as the Jefferson Davis Shrine by the Mississippi Divisions of the United Sons of Confederate Veterans and the United Daughters of the Confederacy.

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